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Education Committee
February 10, 2015

[LB96 LB392 LB421 LB481 LB528 LB529]

The Committee on Education met at 1:30 p.m. on Tuesday, February 10, 2015, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB421, LB481, LB96, LB392, LB528, and LB529. Senators present: Kate Sullivan, Chairperson; Rick Kolowski, Vice Chairperson; Roy Baker; Tanya Cook; Mike Groene; Adam Morfeld; Patty Pansing Brooks; and David Schnoor. Senators absent: None.

SENATOR SULLIVAN: Welcome, everyone. It is 1:30 and I'd like to get started. Just so you know you're in the right place, this is the Education Committee. I'm Senator Kate Sullivan of Cedar Rapids. I chair the committee and I represent District 41 in the Legislature. I'd also like you to meet the members of our committee. They're all...not quite all here. Some of them are introducing bills in other committees. But we will start with the Vice Chair of the committee.

SENATOR KOLOWSKI: I'm Rick Kolowski from District 31, southwest Omaha area, Millard, and Elkhorn.

SENATOR SCHNOOR: Dave Schnoor, District 15, Dodge County.

SENATOR GROENE: Mike Groene, Lincoln County, North Platte area.

SENATOR COOK: I'm Tanya Cook, the senator from District 13 in Omaha and northeast Douglas County.

SENATOR BAKER: Roy Baker, District 30, Gage County, part of southern Lancaster County.

SENATOR SULLIVAN: Senators Morfeld and Senator Pansing Brooks, both from Lincoln, will be joining us shortly, hopefully. Also like you to meet the staff who help us make sure that we have an accurate record and proceedings of this. To my immediate left is legal counsel, Tammy Barry. To my far right is the committee clerk, Mandy Mizerski. We also have two pages helping us today, Brooklynne Cammarata and Seth Thompson. They're both students. Brook is from Omaha and is a student majoring in advertising, public relations, and political science. And Seth is from Ogallala and is a student at Wesleyan majoring in criminal justice and political science. Today we have four bills that we will be--six bills, excuse me--that we will be hearing (inaudible) to for the...wherever they are. Where is that list of bills? We will be hearing testimony on LB421, LB481, LB96, LB392, LB528, and LB529. Just the logistics for the hearing: If you do plan to testify, there are green sheets on the tables at either entrance. We ask that you fill those out. Also, if you do not wish to testify but would like your name entered into

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the official record as being present, there is a separate form on the tables to do that as well. Regarding the green sheet, we ask that before you testify you fill it out in its entirety. Please print. And when you give...come up to testify, give the green sheet to the committee clerk. If you have handouts, we ask that you have 12 copies, and the pages will hand those out to the committee members. When you testify, in addition to bringing up the green sheet, please speak clearly into the microphone. Tell us your name and spell both your first and last name so that we have an adequate record. Perhaps it goes without saying, but I do ask that you turn off all cell phones and anything that beeps so that we can give our full attention to the testifiers. The introducers will make the initial statement, those introducing...the senators introducing the bill, followed by proponents, opponents, and those in neutral capacity or testimony. And closing remarks are reserved for the introducing senator only. We will also be limiting testimony today to three minutes. We want to allow time for everyone who is taking time out of their busy schedules to come testify. Also, it should be noted, there are...we're having separate testimony on each of the six bills, but if your testimony is virtually the same for a bill that has...you have previously testified, there is no harm in saying that you want that testimony entered into the record for the current bill. Also, if you have heard testimony that by and large is very similar to what you are giving, again there is no harm in saying, I agree with the previous testifier, instead of just simply being redundant. So please be respectful to that as the committee will be, because as I said, we want all testifiers to be heard and also the committee to have opportunity to question you if need be. I think, maybe, that covers everything. So without further ado, we will start with the first bill, which is LB421. And is Senator Kintner...there you are. Welcome, Senator.

SENATOR KINTNER: (Exhibits 1, 2) Well, thank you, Madam Chairman, members of the Education Committee. I'm Senator Bill Kintner, B-i-l-l K-i-n-t-n-e-r. I represent Legislative District 2, and I'm here to introduce LB421. It seems like I was just here two years ago. The faces have changed, but the issues remain the same. LB421 would eliminate the Learning Community, repeal the Learning Community Reorganization Act, and eliminate the Learning Community Coordinating Council that was passed and enacted into law by LB1024 in 2006. The bill would also maintain the current district boundaries but allow for future negotiations between the districts regarding the boundaries. In addition, LB421 would disperse the remaining Learning Community assets to the Omaha Public School District. Now, you have an amendment there. And that amendment clarifies that all assets would go to the Omaha Public Schools. In the bill, it originally just said monetary assets, and I meant that all assets--buildings, everything--goes to OPS. During my short time as a senator, it's become clear to me that the intended goals and purposes for creating the current Learning Community in Omaha metro area have not been reached. Achievement gaps still persist between minority students and their classmates. Unfortunately, we are spending more money outside the classroom due to the increased costs from busing option...busing optional...option students around the metro area instead of effective classroom investments. Moreover, the school districts in my legislative district have seen their

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funding decrease by millions of dollars, making it more difficult to plan and operate their schools at the level of excellence that their taxpayers have come to expect from the schools. In my opinion and the opinion of many of my constituents, I can almost say all my constituents, we have given the Learning Community plenty of time to show its effectiveness or its likeliness to succeed and succeed in the future by reaching these goals. And I believe the money currently being spent could be more effectively spent to close the achievement gaps. I also believe that state funds and local funds can be dispersed more fairly without the Learning Community structure in place. I believe the Learning Community has failed to deliver on its promises. It's time to repeal it completely. I would like to turn to the fiscal note here, if I can find my fiscal note over here. When I first looked at this, \$3 million to eliminate government, I was like, holy moly, what's going on here? But if you look at what it says under transportation...I'm going to read what it says: Any changes in school spending impact the amount of state aid distributed two years later. So the fiscal impact of decreased transportation expenditures by members of the Learning Community will impact the state beginning in fiscal year '17. So if you turn over to page 2, you see that there's a \$3,800...\$3.8 million fiscal impact, but that's offset in the third year by a reduced \$3.9 million. So it ends up saving money. And make no mistake about it, the elimination of the Learning Community is a tax cut. We have problems with property taxes. It's the number one thing we all hear. This is actually doing something about it. And I will stop right there and take any questions that you may have. [LB421]

SENATOR SULLIVAN: Thank you, Senator Kintner. Can you explain why you made the decision to have all the assets of the Learning Community distributed to OPS? [LB421]

SENATOR KINTNER: Well, we are running programs there with the Learning Community. They are running programs. And those are chiefly aimed at OPS. And I want them to have the access to those. And if they want to continue those, they want to use that...those assets for those programs, if they're...they think they're working and they're doing well, then they can keep those programs in place with the assets. If they do not believe it is, then it'd be their benefit to sell those assets and take the money. You know, we're here to help them. You know, when one out of every five...almost one out of every five students in our state goes to OPS, they have my attention. And when they have problems, we all have problems. And so I am very sensitive to the problems in OPS. I mean, when you have a lot of low-income students, you have more problems than districts that don't have low-income students. So at some point, I would think they need to do one of two things: either work with the Education Committee to adjust TEEOSA to reflect that they've got more problems with their students than other districts may have, or they need to come to the Appropriations Committee, where I am a member, and make their case, and let us see what we can do about making sure that they can get a education to their students that's equal to the other districts in the state. So... [LB421]

SENATOR SULLIVAN: Thank you. Any questions for Senator Kintner? Senator Cook. [LB421]

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SENATOR COOK: Thank you. Thank you, Madam Chair, and thank you, Senator. There was a handout that came out, and I just wanted to ask whether or not there would be a testifier with...for this...on behalf of this bill representing the Nebraska Taxpayers for Freedom organizations. [LB421]

SENATOR KINTNER: I believe so. I believe so. [LB421]

SENATOR COOK: All right. Thank you. [LB421]

SENATOR SULLIVAN: Any other questions? [LB421]

SENATOR KOLOWSKI: Yes. [LB421]

SENATOR SULLIVAN: Senator Kolowski. [LB421]

SENATOR KOLOWSKI: Thank you, Madam Chair. Senator Kintner, thank you for your sensitivity to the Omaha Public Schools' children and what they're doing there. In your own efforts in time, have you had a chance to be at either the Omaha...the Learning Community center in north Omaha or south Omaha and see it in operation? [LB421]

SENATOR KINTNER: No, that's all on the agenda. We...that's...we're making those plans now to do that, yes. [LB421]

SENATOR KOLOWSKI: Thank you. [LB421]

SENATOR KINTNER: Yeah. [LB421]

SENATOR SULLIVAN: Any other questions? Okay. Thank you. [LB421]

SENATOR KINTNER: All right. And I will stick around. [LB421]

SENATOR SULLIVAN: Very good. We will now hear from those in support of LB421. Sir, over here. [LB421]

DOUGLAS KAGAN: Oh, there you go. [LB421]

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SENATOR SULLIVAN: Welcome. [LB421]

DOUG KAGAN: (Exhibit 3) Good afternoon. My name is Doug Kagan, and I represent Nebraska Taxpayers for Freedom. When legislators created the Learning Community several years ago, sponsors could not say definitely how much it would cost taxpayers or increase educational achievement. Since its inception, this social engineering scheme has raised taxes, engaged in profligate spending, and created an expanding bureaucracy. Several proponents now want to levy an additional property tax to raise money for staff development and instructional materials. The formula of shared property tax education funding has not reduced the school district's reliance on state aid to schools as originally pledged. We particularly resent our tax dollars spent on English and computer classes, interpreters, literacy programs for illegal alien families. Unlike school districts, this bureaucracy does not need a majority vote at the ballot box for bonds for expensive construction projects...thousands spent on family liaisons in poverty schools to coordinate welfare services for students and their families, plus more for social workers in schools. Tax money funds child care, toys, and diapers, all these things not traditional expenditure items: thousands in grants to send poor kids to garden tours and summer camps-- these unproved programs that supposedly address the "whole child" have shown no direct effect on academic achievement--\$250,000 wasted in its 2011-12 budget for the county attorney's office to process truant students under the onerous state truancy law that saw parents and their sick kids hauled before judges because of unavoidable extended illnesses. The cost of transporting children around the two counties has grown from \$1.89 million in 2010 to \$5.4 million in 2013 with the cost then of \$3,598 per student, monies that better could fund merit pay for teachers or an enhanced curriculum. Not only buses but vans and cabs transport kids on free rides miles away from the neighborhood schools to meet a complex multicultural diversity formula that has not brought enhanced academic achievement. This bureaucracy supersedes individual school districts and appropriates their authority. Parents have discovered that their children could not attend schools of their choice within their own district because subsidized transfer-in students fill these classroom spaces. This layer of government is unnecessary and should face elimination. Allow individual school districts the freedom and authority to design their own plans for greater student academic achievement and use their tax dollars as their boards, employees, and parents see fit. Thank you. [LB421]

SENATOR SULLIVAN: Thank you, Mr. Kagan. Are there questions? Thank you for your testimony. [LB421]

DOUG KAGAN: Thank you, Senator. [LB421]

SENATOR SULLIVAN: Welcome. [LB421]

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GWENN ASPEN: Thank you. Hi, everyone. I appreciate your time today. My name is Gwenn Aspen. My address is 445 North 61st Street, Omaha, Nebraska, 68132. Today I'm advocating in doing away with the Learning Community. However, first I would like applaud the Learning Community for their mission of eliminating the achievement gap. I'm passionate about this issue because I want to believe that in American you can be anything you want if you're willing to work hard, no matter who you are or where you come from. This is the promise of the American dream. Unfortunately, if you're not educated, in this day and age the dream is harder to achieve. In Nebraska, 95 percent of African American children, 94 percent of Native American children, and 80 percent of Hispanic children are not meeting college readiness standards as defined by the ACT. This is in comparison with 66 percent of Caucasian children. These numbers are bad for our state, our country, and it makes it harder for a large swath of people to reach their full potential. The Learning Community has made its best efforts to change this. Many good people with good intentions have worked hard in this effort, and it has not gone unnoticed. However, there comes a time when you have to admit that a program is not working. And I think that time is now. We have to acknowledge that area schools are losing money. We've seen that metro Omaha school districts have lost \$13.6 million in state aid over the past five years. The...and it also shows that pooled aid system shortchanged the metro Omaha districts by a total of \$3.3 million just this year compared to how they would have fared under the previous system. Additionally, the cost of transportation has grown to \$5.4 million in 2013 at a cost of \$3,598 per open enrollment student. Basically, the same amount as, like, a used vehicle. This busing program was supposed to improve school diversity. But it has been determined that it hasn't done that in the "Time for Change?" report. It was also supposed to, through more diversity, improve outcomes for poor and minority students. However, research has concluded that open enrollment is not positively correlated with student performance as a measure by the NeSA exam. So here we are, five years since the beginning of the open enrollment busing program, and school districts are losing money. There's no quantifiable improvement in outcomes, and we are not noticeably closer to closing the achievement gap. We have to ask ourselves if it's worth it to continue such a program and a board when the opportunity cost of not doing something that could actually improve achievement gap is being forfeited. I believe there are better ways to improve the lives of children and waste fewer limited dollars. Many of the Learning Community programs can be funded through DHHS. And early childhood education could be administered through the existing school district system to save on administrative costs. We continue...when we continue programs that do not produce results, we delude ourselves into believing we are effecting change when we, in fact, are not. Thank you very much. [LB421]

SENATOR SULLIVAN: Thank you, Ms. Aspen. You indicated that perhaps one of the successes is some of the efforts in early childhood, which I think that some of the member Learning Community superintendents have come together to work on. If this were abolished, does that stand the chance of lessening the impact of a positive program like that? [LB421]

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GWENN ASPEN: I don't think so. I know that they can do it through the existing school district structure. I think the problem with the Learning Community is, it's an extra layer of bureaucracy. And when I read the superintendents' report, it noted that they felt that it was more administratively difficult to do things through the Learning Community when they could do it in their own districts. [LB421]

SENATOR SULLIVAN: Is there some value...as you said, we have minority students, that those numbers are increasing particularly in some parts of the metro area. Is there value, though, in all the school districts coming together to deal with those issues? [LB421]

GWENN ASPEN: I mean, I think that, as professionals in the industry, people will come together and try to improve the achievement gap. And...but at the cost...at what this is costing us, I don't think we're getting the level of benefit that we need to and the opportunity cost is we're forgoing programs that could be effective in improving these outcomes for these kids. I mean, when you're talking about only 5 percent of African Americans meeting college readiness benchmarks, and we're spending \$5.4 million on busing, we have to do something better. And if busing is not producing results, we have to use something that we've seen results from in another area of the country, because this is an opportunity cost, and it's just too expensive to sit here and do nothing if it's not producing results. [LB421]

SENATOR SULLIVAN: Thank you. Senator Cook. [LB421]

SENATOR COOK: Thank you, Madam Chair, and thank you, Ms. Aspen, for coming today. You mentioned the achievement gap. It's not a brand new thing. It seems to be a brand new topic among some people. Thanks. Where did you get your statistics on the fact...or the statement that only 5 percent of African American students...are you narrowing that to... [LB421]

GWENN ASPEN: It's... [LB421]

SENATOR COOK: ...the Omaha Public School district or to the...within the Learning Community? [LB421]

GWENN ASPEN: It was on...the EducationQuest Web site... [LB421]

SENATOR COOK: Okay. [LB421]

GWENN ASPEN: ...had a study done on the achievement gap. And it is the actual... [LB421]

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SENATOR COOK: I could find that... [LB421]

GWENN ASPEN: The actual Web site is on the back of the brochure. [LB421]

SENATOR COOK: All right. [LB421]

GWENN ASPEN: So it's the second link. You can find the achievement gaps as stated in the brochure. [LB421]

SENATOR COOK: Okay. [LB421]

SENATOR SULLIVAN: Senator Groene. [LB421]

SENATOR GROENE: Thank you, Chairman. Ms. Aspen, do you think \$5.4 million would be better spent on salary than in a classroom than on bus drivers and buses? [LB421]

GWENN ASPEN: I do. I think it would be much better spent on direct...resources that go directly to student instruction. [LB421]

SENATOR GROENE: Thank you. [LB421]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB421]

GWENN ASPEN: Thank you very much for your time. [LB421]

SENATOR SULLIVAN: Additional proponent testimony? Welcome. [LB421]

LARRY TIMM: Welcome. Thank you. I'm Larry Timm, L-a-r-r-y T-i-m-m. And did you want an address, ma'am? Okay. And I'm here speaking representing the Sarpy County Farm Bureau and really hoping to allow you, if you should choose, to have questions relative the effect of the Learning Community on the farmers and agricultural producers within the Learning Community. Myself...we're in District 46, we have property in the Gretna School District as well. And what we've...just kind of in preparation for today, I did go ahead and look at the assessor's site, just to verify my figures. And they were correct. But our property taxes, what we're paying on farm land within that Learning Community, have gone up 300 percent. We also have an estimated valuation...I think they call it a preliminary valuation for 2015 (inaudible) when Sarpy County...they're adding another 33 percent to it. Combined, that's a 400 percent increase. So

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what that comes down to is, we're paying right at \$100 an acre. At the same time, we've seen the prices of our commodities, you know, cut literally in half, and below in half, bringing our gross revenue on, say, a rental piece of property, that our property taxes are half of our revenue. And that's just not sustainable. Where we look elsewhere in the state where we've had a smaller percentage of other properties...now those ag lands a larger percentage of the valuations...we've had mill levy changes, at least a partial offset in many cases. It's to the point now where I just want you to know it's serious. And we care about the kids. And it has an effect, like in District 46: We've lost over \$2 million a year, to the point where our district...where we're five generations deep in this district. My kids would actually be six...grandkids, excuse me. We've lost \$2 million a year. They've had to propose two bond issues which largely represent maintenance-type items which would normally be paid for out of a operating budget, but they don't have the money. And that's not right, when you're paying those kind of property taxes and you can't even keep your own district afloat. And I do care about the particular challenges within the minority communities. My own daughter is...well, one of them...well, two of them, actually, donated a night a week up at the Hope Center for years in northeast Omaha. But singling out rural Sarpy County as being this motive or engine that's going to help finance to our detriment, when I can look at, just, surrounding communities that are every bit as much bedroom communities, for example, Louisville or Ashland or Yutan or Mead...they're not paying into that. So the boundaries appear to me to be very arbitrary. And my testimony actually...in an essence of time, I would testify on LB481 as well. But the arguments apply to both. And so I'd like to use the rest of my time if there's any question. [LB421]

SENATOR SULLIVAN: Okay. Thank you, Mr. Timm, appreciate your testimony. As a...I have heard the concern over property taxes all across the state. So my question first of all is, is it...is your concern more a reflection of what's happening with ag land values than the impact that the Learning Community has had? [LB421]

LARRY TIMM: Well, the...your two points...and both really impact the financial health of the ag producer. It's true, property taxes on ag land have gone up dramatically. But specifically within the Learning Community, we've had no offset and no mechanism to, to the point where our own districts are languishing. We're bleeding to death. And yet our taxes keep going up. And yet we can't keep our own school districts running in a healthy fashion. This just is wrong. So I don't know if that answers your questions. [LB421]

SENATOR SULLIVAN: Okay. [LB421]

LARRY TIMM: So they're kind of two sides of the same coin, if I may. [LB421]

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SENATOR SULLIVAN: Um-hum. Thank you. Any other questions for Mr. Timm? Thank you for your testimony. [LB421]

LARRY TIMM: Thank you for the...your time. Appreciate it. [LB421]

SENATOR SULLIVAN: Um-hum. Welcome. [LB421]

DWIGHT TRUMBLE: Good afternoon, Senators. My name is Dwight Trumble, Springfield, Nebraska. And I echo everything that Senator Kintner said and Mr. Timm said. Property taxes are a big issue in our district. I'm also in District 46, Sarpy County. You may know it as Springfield Platford (sic). You may know it as south Sarpy. Or you may know it as Platteview School District. We're all one and the same. We've got several names and identities, I'm afraid. I think, as a taxpayer, I have every right to expect my taxes to be used far more efficiently than what they are being used in the Learning Community. I see a great squandering of my tax monies to accomplish nothing but transporting students and doing other things that do not lead to education or the betterment of my grandchildren. I have been very concerned about education. I've served on the Springfield Platteview school board for ten years...ten and one-half years. My great-grandfather came to Sarpy County as an educator. So education has always been important to my family. When education comes to the point that it's squandering money rather than using it efficiently, I think it's beholden for you to do something to cure this problem. [LB421]

SENATOR SULLIVAN: Thank you, Mr. Trumble. Questions for him? [LB421]

DWIGHT TRUMBLE: I would also like my testimony to apply to Senator Smith's bill and Senator Smith...Senator Kinter's additional bill. [LB421]

SENATOR SULLIVAN: We will certainly do that. Thank you, sir. Oh, excuse me, Mr. Trumble. I...my legal counsel tells me that I'm not able to do that, so you may want to, if you don't mind, stand up when we have the hearings on those bills and just indicate that you have...will be indicating those comments apply to those bills. [LB421]

DWIGHT TRUMBLE: Thank you. [LB421]

SENATOR SULLIVAN: Yes. [LB421]

DICK CLARK: Chairman Sullivan. [LB421]

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SENATOR SULLIVAN: Yes. [LB421]

DICK CLARK: Members of the Education Committee, my name is Dick Clark, D-i-c-k C-l-a-r-k. I am director of research for the Platte Institute for Economic Research. Thank you for the opportunity today to testify in support of LB421 which will eliminate learning communities in the state of Nebraska. When the vote was taken in 2007 to create learning communities in law, policymakers were voting in favor of a new experiment in how public schools are run, how education dollars are raised, how they're allocated. The goals of this experiment were noble: closing the achievement gap, increasing the diversity of schools, and ultimately doing a better job of educating young people. Experiments are important because they help us evaluate our theories and our beliefs. The results from the Learning Community experiment seem to be that student achievement measures have seen almost no discernible improvement. And that's taken from the evaluation hosted on the Learning Community of Douglas and Sarpy Counties Web site. Back in 2010, Senator Brad Ashford held the Learning Community model out as a substitute for school choice. He said the innovative and competitive qualities of, say, charter schools were already available right there in Douglas and Sarpy Counties through the Learning Community. He said, "They have the tools and, my goodness, they have the money." Well, now it looks like maybe the Learning Community tools are not working as we hoped. But even as they are not working, taxpayers are stuck paying a higher tax bill. And lots of folks feel it's a pretty bad deal. There are winners and losers among the affected districts. We know that there are better alternatives out there to close the achievement gap, to reach the kids who have the fewest advantages economically and otherwise. One is the tax credit scholarship idea championed by Senator Krist in LB26 this year. Senator Schilz has a pilot charter school bill which, of course, this committee has discussed before. These are proven models for helping all students achieve. And they can actually help conserve taxpayer resources at the same time. Thank you for this opportunity to support and...excuse me, testify in support of LB421...be happy to answer any questions. [LB421]

SENATOR SULLIVAN: Thank you, Mr. Clark. Any questions for him? Thank you for your testimony. [LB421]

DICK CLARK: Thanks. [LB421]

SENATOR SULLIVAN: Welcome. [LB421]

RUTH EVANGELISTI: Thank you. I'm Ruth Evangelisti, and that's Evangelisti. It's like Evangelist with an I on the end. And I'm from 8315 Molokai Drive, Papillion, Nebraska. [LB421]

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SENATOR SULLIVAN: Could you spell that...would you mind spelling your name? [LB421]

RUTH EVANGELISTI: Okay. E-v-a-n-g-e-l-i-s-t-i. [LB421]

SENATOR SULLIVAN: Gotcha. [LB421]

RUTH EVANGELISTI: Okay. And I'd just like to speak. I'm from Platteview School District too. And we lost \$2.16 million in this. And you say, well, so what? Well, what it's done is hurt our ability to have a tornado shelter, hurt our ability to have adequate plumbing, and that's what we have to run school bond issues for, things that are just necessities, because we don't have the money. And we're one of the real losers. So I looked...well, who is getting our money? And you know who gets our money? Westside School District, Millard, schools that have things that we can't even dream of, schools that have tennis courts, swimming pools, and we don't even have adequate plumbing anymore. So we're going to have to have another bond issue. And our taxes are already sky-high. And it will probably be voted down. So that's just what I wanted to say. Thank you. [LB421]

SENATOR SULLIVAN: Thank you, Mrs.... [LB421]

RUTH EVANGELISTI: Any questions? [LB421]

SENATOR SULLIVAN: Any questions for her? Thank you for your testimony. Appreciate it. [LB421]

RUTH EVANGELISTI: All right. Thank you. [LB421]

SENATOR SULLIVAN: Welcome. [LB421]

MELISSA JARECKE: Thank you. I'm a product of the Omaha schools. I went to Minne Lusa grade school in Omaha North, and I got a fantastic education. [LB421]

SENATOR SULLIVAN: Okay. And could you introduce your name? [LB421]

MELISSA JARECKE: Melissa Jarecke, J-a-r-e-c-k-e. [LB421]

SENATOR SULLIVAN: Very good. [LB421]

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MELISSA JARECKE: And it really hurts...and as a matter of fact, my education was so good that when I went to college it was pretty much review. So it hurts me to hear that the Omaha Public Schools somehow have lost the ability to educate their students. My aunt taught at Lothrop grade school for 32 years. And she produced students that got Ivy League scholarships. And Lothrop was always not...was always a poor district, when...even when she taught there. As a matter of fact, Senator Ernie Chambers is one of her students. And I'd say he has pretty good grammar, wouldn't you? (Laughter) So I think what we need to do is, we need to have great expectations for our students again. We need to inspire and we need to motivate them. And we can do that a lot better by putting money into the teachers' pockets who are able to do this than spending...having kids spending hours on a bus, which is not productive time. There are so many ways to improve our education system, and we seem to completely be recreating the same wheel all the time. In '78 or '77--whatever it was--busing didn't work then. And it's not working now. There are ways to improve. When I taught at Bellevue...when I was out of college, I taught at Bellevue. And I did a...I had an experimental class where I taught the most at-risk girls in ninth grade, and another teacher taught the most at-risk boys. It was so hugely successful. You can ask Dr. Paul Hartnett about that, because he was my principal at the time. It was hugely successful. Our students improved dramatically, and yet no one asked us to write a report and it was never repeated again. We can do that. There are so many creative ways that we can improve education instead of the way it's being done now. All the schools districts right now feel they're shortchanged. Omaha feels they're shortchanged. They're not getting enough money. Bellevue, Papillion, Springfield, they all feel they're shortchanged, and it's because we've created another layer of bureaucracy. So this money is being siphoned off in the middle instead of going to the student. I just want our kids to be educated and to be so motivated to go on and have a great, prosperous, fulfilled life. And I think that has to be the expectation that we have. And we need to, maybe, cut a lot of this administration where a lot of the money goes to the administration. And it needs to go to the classroom and the teachers. Thank you for listening. [LB421]

SENATOR SULLIVAN: Thank you, Ms. Jarecke. Any questions for her? [LB421]

MELISSA JARECKE: Any questions? [LB421]

SENATOR SULLIVAN: Senator Groene. [LB421]

SENATOR GROENE: Thank you, Chairman. You kind of answered it already, but...and from the time you taught, when Dr. Hartnett was there, how many levels of administration and...have you seen increase in our public schools? [LB421]

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MELISSA JARECKE: When I went to Bellevue to teach--and granted it was a smaller school system, we only had one junior high and one high school at the time--we had a superintendent of schools, and he had a secretary. That was our administration. [LB421]

SENATOR GROENE: Did... [LB421]

MELISSA JARECKE: I mean, the schools had principals. We maybe had a counselor. But we have seen that administrative staff just increase and increase and increase. And they all get good salaries, much more than teachers. [LB421]

SENATOR GROENE: Did Senator...did Dr. Hartnett..did he actually teach in the classroom once in a while as a substitute teacher himself? [LB421]

MELISSA JARECKE: Oh, no. [LB421]

SENATOR GROENE: Oh, he didn't? [LB421]

MELISSA JARECKE: He was the boss. He was the principal. And he was a good one. [LB421]

SENATOR GROENE: All right. [LB421]

MELISSA JARECKE: Yeah. [LB421]

SENATOR SULLIVAN: Thank you for your testimony. [LB421]

MELISSA JARECKE: Thank you. [LB421]

SENATOR SULLIVAN: Welcome. [LB421]

DORIS ROYAL: (Exhibit 4) Sorry about taking so long. [LB421]

SENATOR SULLIVAN: That's all right. No problem. [LB421]

DORIS ROYAL: But old age has its problems. (Laughter) I actually did not pick any one bill, because I like so many of them. [LB421]

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SENATOR SULLIVAN: Okay. Can you tell us your name first? [LB421]

DORIS ROYAL: My name is Doris Royal. I live at 404 South 10th Street. [LB421]

SENATOR SULLIVAN: And could you... [LB421]

DORIS ROYAL: Oh, I did that wrong. [LB421]

SENATOR SULLIVAN: Okay. And could you spell your... [LB421]

DORIS ROYAL: It's supposed to be 10th Avenue. (Laugh) [LB421]

SENATOR SULLIVAN: Okay. And could you spell your name, please? [LB421]

DORIS ROYAL: I typed wrong, so you'll have to change that...in Springfield, Nebraska. I just noticed I typed that wrong. It should be avenue. I'm sorry. [LB421]

SENATOR SULLIVAN: That's all right. And could you spell your name, please? [LB421]

DORIS ROYAL: And I also own a farm on Buffalo Road south of Springfield. [LB421]

SENATOR SULLIVAN: Okay. Very good. [LB421]

DORIS ROYAL: And I want to thank the senators who are trying to get rid of the Learning Community. [LB421]

SENATOR SULLIVAN: Okay. Okay. [LB421]

DORIS ROYAL: It's a very bad law. You'll notice I emphasize that. To me, it borders on illegal. It is like letting my neighbor go out, plant the crop, fertilize, do everything necessary, and then when harvest comes I go in with my combine, combine the crop, and collect the money. I'm sure if I did that that the sheriff would be on my doorstep right away. But that's what's happening. The people in Sarpy County work hard, pay their taxes, only to have Douglas County come in and take it away from our schools. Now, if nothing else is done, at least get rid of the transportation. Omaha tried busing years ago. And it didn't work. The money spent on buses, and in some cases taxi cabs, should be spent on teachers and classroom supplies. That is where the children learn.

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As it is now, it's a money maker for the bus and cab drivers and the office help. According to the World-Herald, some of the office help are getting more than \$100,000. They should not get any more than the teachers. The teachers are the ones who are educating the kids. I'm all for education. I didn't put it here, but I was a teacher at one time. Let's be fair about it. If Omaha cannot educate their children, let all of Nebraska help pay, not just Sarpy County. I am sure there are other schools that are having troubles, too. The only fair way is for taxpayers' money to come...stay in their county and for their schools. If more help is needed, it should come from the state, and all counties should help. I want to thank you for listening to me, and listening to our concerns. [LB421]

SENATOR SULLIVAN: Thank you, Ms. Royal. Are there questions for her? Thank you so much for your testimony. Additional proponent testimony on LB421? Anyone wishing to speak in opposition to LB421? Welcome. [LB421]

TED STILWILL: (Exhibit 5) Good afternoon, Senator, members of the committee. I'm Ted Stilwill, CEO for the Learning Community. T-e-d S-t-i-l-w-i-l-l. And the handout that's coming around will suffice for information from the Learning Community. I've also been able to give members of the committee a packet of information which I may rely on in my remarks. I think the first thing I'd like to say is that, admittedly the legislation which passed in 2007 is complicated. And it is sometimes subject to a healthy amount of confusion. And I want to try and clear some of that up initially. You've heard from testifiers this afternoon that the Learning Community doesn't work. Well, if you expect the Learning Community by itself to entirely close the achievement gap in the two-county area, then indeed, probably that's not going to happen. At our disposal we have currently about \$5 million in funding through the elementary center levy. And that is about 0.5 percent of the total school district budgets of \$1.2 billion. It's not enough leverage by itself to close the substantial achievement gap that at 11th grade shows about one-third of the 11th-grade students not reading at a proficient level. And most of those are kids from families in poverty. So the achievement gap is still there. The level of poverty, as I testified yesterday, is increasing dramatically among young children in Nebraska. This problem isn't going to go away. The role of the Learning Community with respect to the achievement gap is just exactly what our mission statement says. It's to demonstrate improved educational practices that will make a measurable difference. And we want to disseminate those kinds of practices and allow other districts, other community entities, to adapt some of those ideas and make them work. So we are a center for innovation and for ideas. We will not totally solve all those problems, but the information you have in this packet, which I'll get a chance to refer to in later testimony, does indicate that the \$5 million in programs that we do fund, they work. They are evaluated by an independent third party. They're all judged to be successful. And, frankly, if they're not, we change them, we modify them, or we don't fund them anymore. And so the community...the Learning Community Coordinating Council, as well as myself, are on record as opposing this bill. Be happy to answer any questions. [LB421]

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SENATOR SULLIVAN: Thank you, Mr. Stilwill. If the Learning Community were to be abolished, what would happen to the progress that you indicated is being made with some of the challenges of working with students in poverty and closing the achievement gap? [LB421]

TED STILWILL: Thank you, Senator. I think we have made some progress. And it's become, in the last year or two, particularly collaborative progress together with the school districts. That's why the 11 superintendents support the continuation of the Learning Community as a matter of record. And in fact, the overwhelming majority of their Boards of Education support the continuation of the Learning Community. And you didn't hear any of them testifying in support of this bill. The collaborative attempts to learn better ways to help students from poverty achieve, I think, would see a real setback, the most notable of which is the one that's been most recently attained. And that's the partnership with the Learning Community, the Buffet Early Childhood Institute, and the 11 school districts. Those early childhood programs have the single best chance of actually eliminating the achievement gap. It won't happen in a year. It won't happen in two years. And when it will happen through aggressive actions on the part of those school districts and particularly the ten intensive sites that are funded across several districts in the Learning Community, but that kind of collaboration, that kind of learning that's beginning to occur across districts...I won't say that it won't occur. Our ability to facilitate it will be gone. [LB421]

SENATOR SULLIVAN: Thank you. Senator Groene. [LB421]

SENATOR GROENE: Thank you, Chairman Sullivan. Mr. Stilwill, how many children are in...I'm assuming you're...kindergarten/first grade is your emphasis, or what's your emphasis on the early child? [LB421]

TED STILWILL: The emphasis on early childhood, Senator, is actually birth through age eight. I...that, as a longtime school administrator, that, frankly, would have surprised me a number of years ago. But for families in poverty, particularly families in deep poverty, if you don't intervene to help the parents when the children are very young, and if you wait till they're five or you wait till they're even four, you've simply waited too long. [LB421]

SENATOR GROENE: So your programs are more from birth to five and not the kindergarten/first grade...the regular school districts for having... [LB421]

TED STILWILL: They're really birth through eight. So you could say from birth through third grade is the particular emphasis. [LB421]

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SENATOR GROENE: So of the population of birth to third grade or--let's just stick to kindergarten through third grade--what percentage of those students are in your programs? [LB421]

TED STILWILL: I don't think I could do the math on the top of my head, Senator. But... [LB421]

SENATOR GROENE: I mean, kids. [LB421]

TED STILWILL: Pardon me? [LB421]

SENATOR GROENE: How many...do you have a head count of how many are in there, if you don't know the entire head count of the... [LB421]

TED STILWILL: In the immediate early childhood programs that we sponsor directly in conjunction with OPS and Educare, there are about 140 families that are served. Across the Learning Community, in the \$5 million worth of programs that are funded, the number is much greater. I don't think I have it with me, but I'll be happy to provide that with you...to you. [LB421]

SENATOR GROENE: So you're just touching a very small percentage of the students in the whole Learning Community? [LB421]

TED STILWILL: Well, there are 114,000 students in the Learning Community. [LB421]

SENATOR GROENE: One hundred forty parents, families... [LB421]

TED STILWILL: And I know we're touching a fairly small percentage. But again, the goal of the Learning Community isn't to try and have...to be the solution for the educational needs of kids in poverty. It's to demonstrate promising practices that have some proven basis in other places and demonstrate those, bring them into use within the Learning Community districts. And then hopefully, as is already being happened, those ideas will be adapted by the districts and community organizations [LB421]

SENATOR GROENE: And they couldn't do this without you? I mean, these administrators are highly educated. They're professionals. Don't they adapt to new...themselves within their school districts? [LB421]

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TED STILWILL: I think to a certain degree that happens. I think it's useful to have measures which particularly support innovation and new ideas. And particularly, we're able to closely evaluate with an independent third party everything we try. And if, as I mentioned before, if it needs to be modified or changed, we modify or change it. And then we're able to demonstrate after one, two, three, or four years that it works. And then...and we're already seeing that happen. And a small example is Kindergarten Jump Start programs. We started funding them. They started showing great results. OPS went from funding one program to funding 20 programs of Kindergarten Jump Start, because they saw the results. We've had an effect on the way after school programs are offered. We're having an effect on the way instructional coaching happens in school districts. And we're certainly having an effect on the way early childhood education is offered in school districts. [LB421]

SENATOR GROENE: Couldn't this all be done through the ESUs? I thought that's what they were for. [LB421]

TED STILWILL: Well, I think that's one of the purposes of ESUs. In the Omaha metropolitan area, there are actually two Educational Services Units, one within the school district of OPS, and the other serves some districts in the Learning Community as well as some other districts. So it's not a perfect match. But across the country, ESUs have been part--or their similar organizations--have been a part of the change process in schools. [LB421]

SENATOR GROENE: Thank you. [LB421]

SENATOR SULLIVAN: Any other questions for Mr. Stilwill? Senator Cook. [LB421]

SENATOR COOK: Thank you, Madam Chair. And thank you, Mr. Stilwill. In some of the testimony...opposition testimony today and in other hearings related to the Learning Community, it has been characterized as a busing program, like the court-ordered busing from the 1970s in OPS, which was a federal court order related to schools that were segregated, for lack of a better way to describe them. So could you perhaps list one to two...you already said what the purpose of the Learning Community Coordinating Council is. It's not a busing program. What is it? [LB421]

TED STILWILL: Well, the original Learning Community policy of 2007 contained a provision for open enrollment, which is somewhat different than option enrollment which is taking place all across Nebraska...is a transportation program. And it was intended, as was mentioned earlier, to both increase diversity and hopefully have some demonstrated impact on student performance. By...and some research was quoted that said that that has not delivered on that promise of increasing student performance. That's actually Learning Community research and data

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reporting. We've reported that faithfully to this committee for the last three years. And so that part of the policy I would categorize as a...or describe as a great parent choice program. I would not describe it as a great student achievement program. [LB421]

SENATOR COOK: Um-hum. [LB421]

TED STILWILL: But as a parent choice program, it does the job very well. But I don't know that it fits as a student achievement program. And consequently, my staff and I incidentally there...I have Brian Gabriel here, the finance person for the Learning Community. Brian and I compromise one-third of the bureaucracy of the Learning Community. So it's...we're not a huge bureaucracy...tough to get a laugh out of this crowd. (Laughter) Anyway... [LB421]

SENATOR COOK: Yeah. Especially today. [LB421]

TED STILWILL: Thanks for helping. But, you know, I don't spend 3 percent of my time on the open enrollment program. We spend...and the coordinating council and the staff, we spend about 95 to 98 percent of our time on the elementary programs that are funded through the elementary levy, not on open enrollment. It just...that's really not what the Learning Community itself is about. [LB421]

SENATOR COOK: Okay. [LB421]

TED STILWILL: It is a part of the policy. It does have costs attached to it. It's not part of something...and the districts, frankly, do a great job of managing it. We do very little aside from sponsoring a Web site where you can download an application and get some other information. But it's not a big part of what we do. Neither is the common levy a big part of what we do. It's a big part of what I end up talking about and trying to explain because it was part of that original policy set. But it's not something that we are able to gauge impact from. It's a...and that money, the 95 cents that's levied through the common levy, goes directly to the school districts. So we really don't have much to do with that either, if that helps. [LB421]

SENATOR COOK: Thank you. [LB421]

TED STILWILL: Sure. [LB421]

SENATOR SULLIVAN: Thank you, Mr. Stilwill. To that end, perhaps you could elaborate just a little bit on specifically what your budget is for your little bureaucracy (laughter) in the Learning Community and where that dollar comes from. [LB421]

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TED STILWILL: The Appropriations Committee of the Unicameral generously has allocated \$725,000 for the operations of...the administrative operations of the Learning Community. And that includes my salary, Brian's salary. There are a couple of more technical positions that are funded through that. And that's one funding stream. Another funding stream that comes is currently--and there are other bills today that you'll discuss...examine this--currently funded through some TEEOSA funding stream that comes through ESU core services. That money is restricted to research and evaluation. We spend every dime on it on evaluating these programs. That's a luxury that many school districts would not have, to provide that kind of a scientific evaluation. So that's the other funding stream that comes in in addition to the elementary levy. The elementary levy funds are expended entirely on the management of this...not the management, the...goes out to school districts and community partners in the funds that are distributed for the various programs that are funded through that levy. [LB421]

SENATOR SULLIVAN: Thank you, Mr. Stilwill. Senator Schnoor. [LB421]

SENATOR SCHNOOR: Mr. Stilwill, you talked about busing. You talked about bureaucracy...I guess, more paid positions to make this work. So I guess, to get to the bottom line, is the Learning Community doing what it's designed to do? [LB421]

TED STILWILL: I think it's doing...Senator, I think the Learning Community is doing exactly what it was designed to do. I've not...when I've spoken with legislators who were present in the Unicameral at the time the legislation was passed and even legislative staff were able to report on the intent then. Now, it's complex legislation, multifaceted, but in terms of the elementary levy and those programs, I think we're doing exactly what we're supposed to do. I think we're generating learning about better solutions for kids in poverty and their education. I think that's gotten more and more hopeful as the conversations among the school districts have become increasingly collaborative. And they're more open to conversations about, you know, what can we do in district A? What can we learn from district B? There's a great difference in the, almost, the culture of those conversations today as compared to even two years ago. So that kind of information sharing and genuine interest and commitment and a realization that the needs...doing a better job with kids who come from families in poverty is a critical need. And the fact that the 11 superintendents agreed this summer that that was a primary need and that we needed...they needed the Learning Community to be part of that solution, I think that's real progress. [LB421]

SENATOR SCHNOOR: Okay, because I would like to point out, in everything you said, you didn't say anything about educating kids. You talked about everything that you're learning. So, that's all I have. [LB421]

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TED STILWILL: Well, Senator, if you're an...I've been an educator a long time. And if we didn't learn how to do a better job...it starts with teachers, as I think you and others have pointed out. And if we can help teachers, and if we can help central office folks and help school boards do a better job, then we're helping children. We don't...I don't teach children directly, probably thankfully for the children involved. (Laughter) But I believe very firmly that the support system for education, the support system for teachers, giving them the tools they need in terms of the strategies as well as the technology and even the accountability, even the compensation systems that need to change...there's so much that needs to change because the environment for children and families in Nebraska is changing dramatically. If we refuse to admit that and if we assume that the same old solutions and just trying harder at the things that we tried most of my career in education...those are not going to work because the students in the classroom have changed. And we have to do a better job of providing support for the teachers who are now faced with a different class of children than I was faced when I started teaching in the early '70s. [LB421]

SENATOR SCHNOOR: And I would agree completely with that, that the dynamics of everything has changed in our country. And we have to learn to counter that. But everything I hear about this whole Learning Community is focused on money. And I hardly ever hear about education of kids. It's...everything I hear is about money. [LB421]

TED STILWILL: Well, Senator, you heard a lot of testimony before I came to this table that talked about money. And most of that testimony was with regard to the common levy. And if you're a school district in the Learning Community, about 38 or 40 percent of your funds come from property taxes. That's a real issue. And so changes in ag land valuation have become real issues. The fact that those property taxes were pooled along with some state aid funds...were pooled in the Learning Community might have been an extremely innovative idea in 2007, but it's an idea that probably needed some care and guidance along the way, because the results of the common levy today, and I know that we're not...I'm not here at this moment to testify on the common levy, but the result of the common levy are very hard to understand. And if you're in a school district that wasn't involved in the original one district dispute, and all of the sudden you find you're part of the solution, and your local property taxes are becoming part of that solution, if I were in one of those districts, I might not be happy either. But that's the way the legislation was constructed. And it probably needed to be at that point in time. The fate of the common levy, is the fate of open enrollment, is different--distinctly different--than what the fate of the Learning Community should be. [LB421]

SENATOR SCHNOOR: Okay. I don't have any more questions. [LB421]

SENATOR SULLIVAN: Senator Morfeld. [LB421]

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SENATOR MORFELD: Thank you, Chairwoman. Well, first off, for the record, there was somebody in 2007 that was there for the debate. I was. I was a legislative page. And I paid very close attention. I was on the floor for the entire debate. I was in the Education Committee for some of it as well. But in any case, you talked a little bit about the role that...and by the way, I do believe that the Learning Community is fulfilling its purpose based on what I saw on the floor. [LB421]

TED STILWILL: Thank you, sir. [LB421]

SENATOR MORFELD: But in any case, in terms of duplicating your programs, you talked a little bit about how you launch programs. You see if they work. You close down the ones that don't work. And then you talked a little bit about OPS taking on some of those programs and actually duplicating them. Was that the case or did I miss that? [LB421]

TED STILWILL: I don't know that I'd use the term duplicating... [LB421]

SENATOR MORFELD: Okay. [LB421]

TED STILWILL: ...maybe replicating or expanding. [LB421]

SENATOR MORFELD: Okay. Can you tell us a little bit about that? [LB421]

TED STILWILL: Kindergarten Jump Start is a simple example. It's a...Kindergarten Jump Start, for those of you that aren't familiar with it, is a simple program. A few weeks before...in the summer before a child goes to kindergarten, a school district will identify those kids who would be...maybe haven't been to preschool. Maybe the kindergarten teacher of the school already knows that student is going to have some specific learning needs. It simply, typically, takes the child's kindergarten teacher that will be there in fall or one of them in that school and offers a program for three to five weeks during the summer. It's sort of a--people hate it when I say this, but it makes sense to me--a kindergarten boot camp. And what happens is, those children...this is...comes from one of the superintendents that says these are the kids that would have cried on the first day of kindergarten before...are now coming in and showing the other kids around. They're immediately more comfortable. And surprisingly enough to me, for a program with such short duration, it shows noticeable results in terms of improved kindergarten readiness as is documented through the evaluation process. And in some cases, those results seem to be lasting for a year or two, which is beyond what I would expect for a three to five year program. But nevertheless, it's a program that not only has grown within OPS, but we have now a discussion that took place just this...a few months ago among the school districts, because they saw some

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school district Kindergarten Jump Starts were more effective than others. And one of the districts themselves sponsored a get-together with those districts to find out, you know, what's going on? What's making this work? It turned out that the component was a stronger parent engagement/home visitation program that the kindergarten teacher was doing as part of the Jump Start program. That's a little example. What we're learning in early childhood is...to use a much stronger, deeper example, if you would have said to me as a...when I was curriculum director in Council Bluffs or an elementary principal or teacher that the school district ought to be involved in home visitation programs for...with parents of very young children, I would have said, not our job. But now I've seen what the research says. I've seen what happens in practice and with families in high poverty. If you don't do that, if you don't provide that support to those parents when their children are very young, you're going to miss the boat, because those kids are going to enter kindergarten a year or two years behind statistically as a group. Obviously, there will be kids that do very well. But those are all things we're learning. And we're learning them now together with districts, together with the Buffet Early Childhood Institute. It's an exciting time to be involved in that collaborative learning process, and it is a learning process among the adults, but it's the adults that have to learn how to do things differently to benefit the children. [LB421]

SENATOR MORFELD: Thank you. [LB421]

SENATOR SULLIVAN: Senator Groene. [LB421]

SENATOR GROENE: Thank you, Chairman. Mr. Stilwill, your ruling council--they've got a coordinated council--how many members are there and how are they elected? [LB421]

TED STILWILL: There are 18 members on my governing board or coordinating council. They are elected. Twelve of them are elected by six subdistricts, if you will, or subcouncils. And there are...they stand for election in a manner that's familiar to all of you. Six of the 18 are appointed, if you will, but they're already elected because they're School Board members. So six of them are School Board members that come to us in a representative fashion from those six subcouncils. Some of the subcouncils have only one district, for example, Millard, so it's an easy choice of...the Millard School Board members have to decide which one is...gets to be a part of the Learning Community Coordinating Council. And in some cases there are multiple districts, as in Subcouncil 6, and they have a caucus to decide who will represent those districts. They may also send a nonvoting member. One of those nonvoting members you'll probably hear from later today from Springfield Platteview. So that's the manner in which they come to us. I was initially wondering how it would work to have 18 people on a governing board because that was a new experience for me although I'd, frankly, I'd been on governing boards for different organizations that were that large. It actually works pretty well. You have good diversity of opinion. It works pretty much like any other board I've been a part of. [LB421]

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SENATOR GROENE: Thank you. [LB421]

SENATOR SULLIVAN: Okay. Any other questions? Senator Kolowski. [LB421]

SENATOR KOLOWSKI: Thank you, Madam Chairman. I just...for the record I want to be clear so everyone hears this with our first bill. Senator Morfeld talked about being a page, hearing the bill being formed, the birth of the concept. He was there at that time, and I was there from the first day of the Learning Community, elected as a representative from District 4 from Millard and also as chairman of the Learning Community for the first three years. So I have a very extensive background with what we did, what we were charged to do, and where we've been and what we've come to. I hope by listening to Mr. Stilwill, people will understand exactly what he's talking about, because the charge in 2009 in January when we took our seats on that council and the evolution to where the Learning Community is today in 2015 is a different location, a better location, a better-refined location which is justified just by what Mr. Stilwill is talking about: demonstrated promising practices, center for innovation, and programs for implementation and replication. That is the charge. If you think and hear anything else in the day, just remember the budget of \$5 million for the Learning Community to do all that they're doing at the current time and the 11 school districts equaled \$1.2 billion. If you don't understand the difference between that, give that some concentration, because that is...that's how things operate and the differences between the districts and the Learning Community and what they're getting done. Thank you. [LB421]

SENATOR SULLIVAN: Any other questions? Thank you, Mr. Stilwill. [LB421]

TED STILWILL: Thank you, Senator. [LB421]

SENATOR SULLIVAN: Welcome. [LB421]

LOU ANN GODING: (Exhibit 6) Good afternoon. Senator Sullivan and members of the Education Committee, my name is Lou Ann Goding, L-o-u A-n-n G-o-d-i-n-g. I am president of the Omaha Public Schools Board of Education, and I appear today in opposition to LB421. For the same reason stated in this testimony, Omaha Public Schools also opposes LB481, LB96, and LB392. The Board of Education of the Omaha Public Schools is committed to the Learning Community. The Learning Community has proven to be a great resource in such areas as early childhood education, the creation of elementary learning centers, and the support for the expansion of focus schools, among others. We continue to support the common levy unless all of the superintendents' proposals are adopted, including additional stable funding for poverty and English language learners. The Learning Community was created primarily for the purpose of promoting equitable distribution of property tax dollars given the dramatic disparity of valuation

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growth within school districts in metropolitan Omaha. At the time the Learning Community was created, such disparity was dramatic. In 2009, the year the first Learning Community Council took office, property tax valuation per student ranged from a low of \$2,592 per student to a high of \$10,433 per student. At the same time Omaha, Ralston, and Bellevue were the only districts that had poverty exceeding 50 percent. The disparity of valuation coupled with the disparity in poverty led to inequities within the same metropolitan community. The Learning Community was designed to address those inequities. As such, we believe that any structural changes to the funding component of the Learning Community must also address the equitable distribution of property tax dollars across the metropolitan area. One of the recommendations of the superintendents was to replace the common levy with additional stable funding for poverty and ELL. Omaha Public Schools agrees that, if the common levy is to be eliminated, additional stable funding for poverty and English language learners to address the disparity of property valuation among the metropolitan Omaha districts must be added. Thank you, and I would be happy to answer any questions you have. [LB421]

SENATOR SULLIVAN: Thank you, Ms. Goding. Any questions for her? Thank you for your testimony. [LB421]

LOU ANN GODING: Thank you. [LB421]

SENATOR SULLIVAN: (Exhibits 7, 8, 9) Any further testimony in opposition to LB421? I would like to read into the record three letters that we have received in opposition from Dr. David Black, mayor of the city of Papillion; John Cavanaugh, CEO of the Holland Children's Movement; and Lorraine Chang, Learning Community Coordinating Council. Senator Kintner, I think we are ready for your closing. [LB421]

MELISSA JARECKE: Mayor Black was in opposition? [LB421]

SENATOR KINTNER: You know, from my days in the classroom, when we would institute a new program, there was only one measure of success, and that was to educate children better. And the way that we would determine that would be through test scores. And if it didn't educate children better, we didn't do it. And that was the measure of how we determined the success of everything. The...I want to point out the Papillion-La Vista School Board voted unanimously to oppose the Learning Community. You can't color that any other way. They oppose it. The...I do not...I don't have a...I don't know what the Platteview/Springfield School District has done formally, but the school board members that I've talked to...I think it's safe to say this sickens them. They don't like it one bit. The people that I represent have serious problems with it. You can see there's a ton of people back here, here to support the Learning Community from Douglas County. Well, maybe they didn't make it here. Maybe they think it's tomorrow. But there's no one

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that I've met that's a regular citizen that says, yes, we need Learning Community. The people that I talk to, that I represent, don't want a bunch of educational gobbledegook about this best practice and that best practice. From someone who's smart about education, what they want is results. They want their kids better educated. They want their tax dollars to go to better their schools. And they want local control. And I've heard this for three years. These people behind me are not going away. I'm not going away. But we ask that the Learning Community goes away and we do something instead that works. Thank you. [LB421]

SENATOR SULLIVAN: Thank you, Senator Kintner. Any questions for him? Senator Groene. [LB421]

SENATOR GROENE: Thank you, Chairman. Senator Kintner, I'm from out west and this is all east but it affects our income and sales taxes, but what I'm hearing is--am I wrong?--that common levy...but the only other...there is no other cooperation of swapping teachers or administrators or skill sets. It's just busing. Kids who want to escape from one area can go to another, and \$5 million out of \$1.2 billion for a couple programs. Is that what this whole thing amounts to? [LB421]

SENATOR KINTNER: Yes. It's not always busing. Sometimes we put them in a cab and pay, you know, \$50 one way, \$50 the other way. I mean, it's very expensive. And the educational outcomes, once again, have not improved that anyone can measure. [LB421]

SENATOR GROENE: But besides that, there's no commingling of the districts besides sharing the money? [LB421]

SENATOR KINTNER: No. I will say this, the superintendents do speak on a regular basis. And if that's the goal, we can get rid of Learning Community and just pass a bill that says, meet once a month...doesn't cost anyone anything. We can just save the millions of dollars. I mean, if that's all we want to do is meet and coordinate, we don't need Learning Community to do that. [LB421]

SENATOR GROENE: Thank you. [LB421]

SENATOR SULLIVAN: (Exhibit 7) Thank you, Senator Kintner. And just by way of clarification, we did receive a letter from Mayor David Black stating opposition testimony on LB421. Senator, we're ready for your next bill, LB481. [LB421]

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SENATOR KINTNER: Once again, thank you, Madam Chairman and members of the Education Committee. I'm Senator Bill Kintner, B-i-l-l K-i-n-t-n-e-r. I represent Legislative District 2, and I'm here to introduce LB481. LB481 provides for any of the 11 school districts to opt out of the current Learning Community. The board of a school district choosing to opt out of the Learning Community is required to notify the Learning Community Coordinating Council and the Commissioner of Education no later than six months prior to their leaving the Learning Community. I came up with this when I was listening to Mr. Stilwill and some other advocates of the Learning Community talk about how it's working and how it's doing so well. And I thought, well jeez, if it's doing so well, all 11 school districts are going to want to be a part of that. So, you know, if it's doing well and you're serving the people you're supposed to be serving, everyone will want to be part of it. And if you're not serving the constituents you're supposed to be conserving...or serving, then you need to change it so they want to be a part of it. So that's the reason I introduced this bill. I'll take questions if there are any. [LB481]

SENATOR SULLIVAN: All right, Senator Kintner. Thank you. Any questions for Senator Kintner? And you'll be here for closing, I presume? [LB481]

SENATOR KINTNER: Yes, I will. [LB481]

SENATOR SULLIVAN: Thank you. We'll now hear proponent testimony. Welcome. [LB481]

ANDREW RIKLI: Good afternoon. Senator Sullivan, members of the committee, my name is Andrew Rikli, first name A-n-d-r-e-w, last name R-i-k-l-i. I am the superintendent of schools for the Papillion-La Vista School District. We plan on weighing in on LB96 to talk in a little bit greater detail about the common levy, but we did want to state for the record that we are in support of Senator Kintner's opt-out bill. We thank Senator Kintner for introducing this bill. Just so that we're crystal clear about our testimony, the Papillion-La Vista school district has long maintained standing board positions in opposition to the Learning Community. Those positions have not changed. However, today we come to you with the pragmatic understanding that the Learning Community probably is not likely to go away. So while our standing positions haven't changed, we want to be part of the solution moving forward. We would not advocate for the abolition of the Learning Community as it exists now. However, we do believe that there are some serious flaws, which we will get to later, specific with the common levy that we would like to address later on. And we don't believe that the funding is working for our school district. The other thing that I would add for this committee is to suggest that after eight years of implementation, there's not another single learning community in the state of Nebraska. And I throw that out there not to suggest that the Learning Community is not accomplishing some worthy goals. I believe it is, particularly in the area of early childhood education. But I throw that out there to suggest that the Learning Community is not a good fit for all Nebraska public

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schools. And make no mistake, there are many, many public school districts in Nebraska that are located in geographic concentrations where a learning community might make sense, where pooling of resources might make sense, where having shared programs might make sense. Yet there's still only one. So our point would be, if it doesn't work, if it doesn't meet the needs of the local school district, that school district should have the ability to opt out of the Learning Community. And with that, I would close my testimony. Thank you, Senator. [LB481]

SENATOR SULLIVAN: Thank you, Dr. Rikli. [LB481]

ANDREW RIKLI: Thank you. [LB481]

SENATOR SULLIVAN: What specifically are components of it that are not working for you? [LB481]

ANDREW RIKLI: I think, without being redundant, Senator, a couple of the points that were made earlier...I think when we look at...the achievement gap hasn't been erased to any great extent. The other issue that really hasn't been addressed in previous testimony was the socioeconomic diversity. I think the hope of the original conversation, back to Senator Morfeld's point, was that achievement would certainly be an aim, increased socioeconomic diversity across the two-county area, through the open enrollment as the mechanism, would be enhanced. And, frankly, we haven't seen that happen. The other issue, again, which I'll get to with the common levy, LB96...we would argue that the dollars are being sent in the wrong direction, that the districts with the highest socioeconomic needs, specifically Omaha Public Schools and Ralston Public Schools...up until this year, the Omaha Public Schools has been a consistent loser. So diversity is not increasing. Achievement is not increasing. And the dollars aren't going to the district in the state with the highest socioeconomic needs. That's a problem. [LB481]

SENATOR SULLIVAN: And yet they spoke in favor of continuing the Learning Community. [LB481]

ANDREW RIKLI: They did, Senator, and I certainly can't put words in the mouth of Omaha Public Schools, but what I think that they would testify in support of is that the common levy does need to go away as long as additional dollars would be allocated for poverty and ELL programs. I believe that was in the previous testimony. [LB481]

SENATOR SULLIVAN: Thank you. Senator Cook. [LB481]

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SENATOR COOK: Thank you, Madam Chair. And thank you, Dr. Rikli. You made a statement that there is still at this point, after eight years of implementation or eight years since the bill was passed, only one learning community in the state of Nebraska. We've had the opportunity, at least the members of the committee that have served before this year, to travel the state and meet with residents and stakeholders. Can you think of, maybe, any other reasons that they've not adopted? I hear a lot about concerns related to consolidation. [LB481]

ANDREW RIKLI: It's an excellent question, Senator Cook. And I'm not sure I have an answer. I would only be venturing a guess. [LB481]

SENATOR COOK: Sure. Why not? [LB481]

ANDREW RIKLI: I would say that there are many communities across the state where you'll find school districts located in proximity to one another. When you look at Hastings/Adams Central, Columbus/Columbus Lakeview, Grand Island/Grand Island Northwest, even some of the surrounding communities around the Lincoln Public Schools where you have multiple school districts within a relatively small area...to get to your question, so why haven't they taken the plunge, so to speak... [LB481]

SENATOR COOK: No, my question was, beyond...you made that statement... [LB481]

ANDREW RIKLI: Um-hum. [LB481]

SENATOR COOK: I have observed and heard in my now three years on this committee many reasons why school districts are reticent to combine even for part of the day. And your statement seemed to perhaps imply that it was the Learning Community itself that was the reason why other folks across the state...and I was asking, can you think of maybe another reason? [LB481]

ANDREW RIKLI: You know, I...my sense would be, Senator, it is...part of it is the fear of the unknown. I think part of it, frankly, is that some of the press that we have seen come out of the Learning Community for the last several years has tended to be rather negative. And I think that scares people off. And I think the last--maybe the biggest--reason might be this concern of shared resources. And school districts...it is in our DNA to think about winners versus losers, whether that is right or not. I think that's just part of how school districts operate as they're thinking, how is this going to impact my ability to educate my local students? And I think there's probably some fear, Senator, that by entering into a learning community and with those pooled resources that perhaps I'm going to lose resources to be able to properly educate my children. [LB481]

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SENATOR COOK: Okay. Thank you. [LB481]

ANDREW RIKLI: Thank you, Senator. [LB481]

SENATOR SULLIVAN: Senator Groene. [LB481]

SENATOR GROENE: Thank you, Chairman. Sir, you clarify you said...you made a good point, but could you clarify the social economic and the busing? Which school districts are getting the students that we're spending \$5.4 million busing? And could this be some of the school districts that were closed for open enrollment because they were full and now individuals who wanted to go there anyway now can go there, or is...which school districts of the 11 are getting the students. Are you getting any of them? [LB481]

ANDREW RIKLI: Senator Groene, I don't have those numbers at my fingertips. We could certainly provide that. The Learning Community has all of that information. I would say offhand, though, Senator, every one of the 11 school districts is receiving some open enrollment students. Now, some districts have a greater capacity for open enrollment students than others. I would single out very fast-growing districts such as Elkhorn Public Schools, Gretna Public Schools, where they're growing so fast that maintaining their own facilities for their own resident students is a challenge. I'm guessing they probably are accepting fewer open enrollment students than other districts. But it is my belief, it is my understanding, Senator, that every one of the 11 has accepted at least some open enrollment students. [LB481]

SENATOR GROENE: Westside...we heard from Westside, and they said a third of their students were... [LB481]

ANDREW RIKLI: One-third...I previously worked in Westside Community Schools for ten years. One-third of their 6,000 students come in through open enrollment. [LB481]

SENATOR GROENE: But if I remember right, over the years living out west that people were always trying to get into Westside. [LB481]

ANDREW RIKLI: Correct. That has not changed. Still one-third of their students come in through choice. That is accurate, Senator. [LB481]

SENATOR GROENE: Now, are we paying for busing for those students when before they had to get their own way there before the... [LB481]

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ANDREW RIKLI: Under the option enrollment rules, which predated open enrollment, school districts were reimbursing families that qualified for free, not reduced, but free. And they were reimbursing, not providing transportation. So it was just calculated at the IRS rate. In general it was less cumbersome. And in my opinion, it was less costly. [LB481]

SENATOR GROENE: Thank you. [LB481]

ANDREW RIKLI: Thank you. [LB481]

SENATOR SULLIVAN: Any other...Senator Kolowski. [LB481]

SENATOR KOLOWSKI: Thank you, Madam Chairman. Dr. Rikli, thank you for your testimony today, and good to see you. [LB481]

ANDREW RIKLI: Thank you, Senator. [LB481]

SENATOR KOLOWSKI: The comment you made about districts having the choice to opt in or opt out of a learning community is very apropos. And it's right on target, I think, for what we're looking at and what we're talking about. What has been lost, I think, from 2005, is the chaos of what was going on at that time: 9 out of the 11 superintendents have changed--and you're one of them--over that time to the present day. And I would be all for people having a choice to move in and out. At that time, none of the 11 had an option of moving into the Learning Community or being part of that. This was the solution brought down by policymakers to move that forward. And I think we need to remember that as we look at options or, why isn't it elsewhere in the state? Thank you. [LB481]

ANDREW RIKLI: That's a fair point. Fair point. Thank you, Dr. Kolowski. [LB481]

SENATOR SULLIVAN: Any other questions for Dr. Rikli? Thank you for your testimony. [LB481]

ANDREW RIKLI: Thank you, Senator. [LB481]

SENATOR SULLIVAN: Welcome. [LB481]

BRETT RICHARDS: (Exhibit 1) Good afternoon, Senators. My name is Brett Richards, superintendent of Springfield Platteview Schools. That's spelled B-r-e-t-t R-i-c-h-a-r-d-s. And

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I'm here to...in support of LB481 which allows districts to opt out of a Learning Community. Learning community state laws allow for school districts in Nebraska to organize learning communities. There's a reason why this has not been done--and I know there's been some questions about that--because being part of a Learning Community penalizes the majority of the districts that are part of one financially. The Omaha metro area's two Learning Communities' 11 school districts are required to be in it by state law. Learning communities should have incentives to be a part of one, and no school district should be penalized and hurt by being part of one. Our district's financial losses of potential revenue from being a part of a Learning Community for five years now are \$6.8 million. We lose \$2.15 million this year alone, and those losses will continue to grow each year as we are part of the Learning Community. We are not made to be a part of this formula and to reap the benefits of any valuation increases. This represents over a 16-percent loss in district revenue in our district if we were able to levy, like the rest of the school districts around the state are, up to \$1.05. The common levy formula does not work for smaller, more rural school districts. You heard from a farmer earlier today. Out west, if the ag land goes up, the school district can decrease their levies and take the burden off the farmer. We cannot do that in our district. Our district has been unable to put any dollars towards our building fund over the last four years. We have also lost two bond issues in the past year and a half to address infrastructure, safety, and educational programming issues in our four school district facilities. Many of our taxpayers feel that if we had the dollars we are losing to the Learning Community school districts, we would not need a bond issue, which is partially true. If we were not part of a Learning Community, we would not need state aid. Our district would be unequalized and we'd be fine on our own levy, like many of the other school districts around Nebraska are. Our board of education feels they've lost local control because of the common levy. Senator Hadley had talked about this in one of the legislative workshops: Be careful what you ask for because you're going to lose local control. And we've already had that happen to us in the Omaha area. Districts like ours around the state should pay attention to that. They have little control of...anymore at meeting the needs of our locals in school safety. Like I said, we have...continuously evaluate cuts and district personnel positions to stay within our stagnant potential revenue for that fiscal year. If our board of education had the same rules as the rest of Nebraska in levying for our needs, districts, we wouldn't have these issues. In a day and age of accountability, our district has always done well and ranked near the top of state testing scores. And we are about 20 percent free and reduced. You know, there's a lot of talk about school districts that are successful should get more money, not less, and not be penalized in the meantime, and the shared "revenue" system is now doing that to our school district. Our school district does support changes to the Learning Community as recommended in the superintendents' report as a compromise, and we've been willing to compromise and look at different things for the success of all 11 school districts and the Learning Community. [LB481]

SENATOR SULLIVAN: Thank you, Mr. Richards. Any questions for him? Thank you for your testimony. [LB481]

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BRETT RICHARDS: Thank you. [LB481]

SENATOR SULLIVAN: I should...I want to mention that the testifiers--I wanted to clarify this from my comments earlier--who want to be on record for multiple bills will have to come back up to the table to get it correct on the transcript, but you can just simply reference your comments from earlier testimony. But you also should state the comments that you made on the previous bill when you come up to testify to the current one. So if that's clear as mud, that (laughter)...I hope you can abide by that. All right, we will continue with proponent testimony on LB481. [LB481]

LARRY TIMM: I'm Larry Timm, T-i-m-m, and on your recommendation...Larry Timm, T-i-m-m. On your recommendation, Senator, I would like to...my comments from the previous bill to be recorded with LB481. [LB481]

SENATOR SULLIVAN: As well as LB482 (sic), thank you...or LB421 and LB481. [LB481]

LARRY TIMM: Yes, ma'am. [LB481]

SENATOR SULLIVAN: Yes, okay. [LB481]

LARRY TIMM: Yes. [LB481]

SENATOR SULLIVAN: Okay. Thank you very much. [LB481]

LARRY TIMM: Okay. [LB481]

SENATOR SULLIVAN: And just to clarify, and I'll look to my committee clerk, do they need to fill out another green sheet? If you wouldn't mind doing that... [LB481]

LARRY TIMM: I'd be glad to. [LB481]

SENATOR SULLIVAN: Thank you very much. [LB481]

LARRY TIMM: Thank you. [LB481]

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DWIGHT TRUMBLE: Senators, Dwight Trumble, D-w-i-g-h-t, Trumble, T-r-u-m-b-l-e. I would like my comments from earlier bill be used on this bill also, with one additional remark: Everything I've seen, by the end of the third grade, early childhood development progress has been lost. Thank you. Any questions? [LB481]

SENATOR SULLIVAN: And just to clarify, Mr. Trumble, so your testimony applies both to LB421 and LB481. [LB481]

DWIGHT TRUMBLE: Correct. [LB481]

SENATOR SULLIVAN: And if you will please fill out a green sheet, I'd appreciate it. [LB481]

DWIGHT TRUMBLE: Thank you. [LB481]

SENATOR SULLIVAN: Thank you. Any questions for Mr. Trumble? Thank you. Any additional proponent testimony? Anyone wishing to speak in opposition to LB481? Anyone wishing to speak...oh, is that opposition? Okay. Welcome back. [LB481]

TED STILWILL: Thank you, Senator. Ted Stilwill, T-e-d S-t-i-l-w-i-l-l, CEO from the Learning Community. I'll make this brief. In an ideal world, I'm certainly appreciative of volunteer endeavors. But in some cases, particularly with the original Learning Community legislation, when part of what was enacted was almost a treaty among school districts that were in conflict, voluntary participation was not an option. And at this point there was reference to, isn't this something like ESUs do? Well, you need the participation of all those affected to really make the collaborative work. Too many districts pull out, for example, the excellent work we're seeing with regard to early childhood education, which actually show results beyond third grade, if it's done correctly, that would begin to fall apart if too many districts were to fall away from that effort. The additional levy authority granted to the Learning Community to support early childhood education would be greatly diminished if, you know, one or more, particularly several, districts pulled out of that. That initiative would pretty much disappear and would have to come and be reformulated a different way. So the needs of children in poverty are profound. The data that I gave to you yesterday indicated among the prekindergarten population, which foreshadows the elementary population, you've got about one child in every ten living in deep poverty, two in every ten living in 100 percent of poverty. Poverty is simply going to continue to increase in Nebraska among the prekindergarten and then among the school-age population. You will represent considerable challenges for classroom teachers. I think it's incumbent on all of us not just to have accountability measures in place as U.S. policymakers, but also have support mechanisms in place. If those school districts, if those teachers, if those individual buildings do not score well, it's not just the responsibility of those teachers, building principals, and school

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district administrators and boards of education. It's the responsibility of this committee, of the Governor, and of the Nebraska Department of Education, as well. It's a shared stewardship. [LB481]

SENATOR SULLIVAN: Thank you, Mr. Stilwill. You put emphasis on early childhood education for dealing with challenges of children in poverty. Do you know, with the conversations that have taken place among the 11 member superintendents, are they identifying additional strategies that can be used to deal with this issue? [LB481]

TED STILWILL: I know that there are an array of strategies that are embraced by those superintendents, by Learning Community districts--after-school programs, summer school programs, kindergarten Jump Start programs--that I mentioned. A program with considerable promise, but that needs refinement is instructional coaching for elementary teachers. That's a professional development initiative, and it's a more intense one that typically we've put in place in K-12 education prior to that. Those are all in addition to early childhood education. You...those students that are already in the system but will not benefit from early childhood education, obviously can't be abandoned, and it will probably...early childhood will never be the single, sole solution. We'll have to keep all those strategies in place and continue to make them better. [LB481]

SENATOR SULLIVAN: Thank you. Any other questions for Mr. Stilwill? Thank you for your testimony. Oh. Thank you for your testimony. [LB481]

TED STILWILL: Thank you. [LB481]

SENATOR SULLIVAN: Welcome. [LB481]

LOU ANN GODING: Thank you. Senator Sullivan and members of the Education Committee, my name is Lou Ann Goding, L-o-u A-n-n G-o-d-i-n-g. I'm president of the Omaha Public Schools Board of Education. For the reasons stated in my testimony on LB421, OPS also opposes LB481. Thank you. [LB481]

SENATOR SULLIVAN: Any other questions for her? Thank you for your testimony. Any further opposition for LB481? Anyone wishing to speak in a neutral capacity? Senator Kintner for closing. [LB481]

SENATOR KINTNER: You know, as I...well, first of all, you know, I represent rural Sarpy. It's about 28 percent of my district, I think Cass County is about 65 percent of my district and Otoe

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is the rest. And as I talked to educators, the board of education, I should say, board of education members, educators, you know, they want Learning Community to go away. Now they're worried that, jeez, if we run out of money in Sarpy, they'll come down to Cass and start getting money. Now I don't think that's probably going to happen, but they're worried about that. They see that if Sarpy can be forced in the Learning Community, that they can be forced in the Learning Community. And you know, that's how they see it. So if it went away, they would be happy too. So if you, you know, you say, you know, why isn't any...Senator Cook said, why do other districts not enter into a learning community? They just haven't heard anything good come out of it. I mean, how does it help the educational experience? And it doesn't and they see that. And at least the ones I've talked to right outside of Sarpy see it, and it worries them and they don't want to have anything to do with it. And that is why I introduced this bill. It's going to do one or two things. It will force Learning Community to become more responsive to the member districts and do what they want done, so it benefits everyone, or they'll leave. And I think that's the way it should be and that's why I introduced the bill. Thank you for sitting here and listening so attentively to everyone, because you've got a long day here. [LB481]

SENATOR SULLIVAN: Thank you, Senator. [LB481]

SENATOR KINTNER: I know you do, so. [LB481]

SENATOR SULLIVAN: Any questions for the senator? All right, thank you for your testimony. [LB481]

SENATOR KINTNER: Okay. All right. [LB481]

SENATOR SULLIVAN: That closes the hearing on LB481. (See also Exhibit 2.) And we will now move onto LB96. Welcome, Senator Smith. [LB481]

SENATOR SMITH: Thank you. And good afternoon, Senator Sullivan and members of the Education Committee. It's great to be with you today. My name is Jim Smith, J-i-m S-m-i-t-h, and I represent the 14th Legislative District in Sarpy County. I'm here today to introduce LB96. And for those of you that were on the committee last session, you'll recognize LB96 being identical to LB865, the bill that I brought last session. In short, LB96 would eliminate the 95-cent common levy shared by the 11 school districts which are members of the Learning Community. This may be a surprise to you, but I do not consider this bill to be about the Learning Community, necessarily, and certainly not about the elimination of the Learning Community. This bill that I have before you today is about the funding of the 11 school districts that make up the Learning Community. It is also about moving forward and fixing a policy that simply does not work, never has worked, and never will work. I know that this committee

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understands the Learning Community, the calculations as to how the common levy works, and how the school aid fund works. But I did want to give a bit of an overview from my perspective of what I understand to be the purpose and the role of the Learning Community and the shortcomings of the common levy. If you go back to 2006 and read some of the newspaper articles that reported on the Learning Community bill and look at some of the comments from the architects and others that made at the time, you may come to the same conclusion I have about the purpose of the common levy: The Learning Community was about increasing school integration among 11 school districts that currently make up the Learning Community. It was about bolstering school funding for those school districts, especially for those school districts that have a high percentage of poverty. The Learning Community was also about creating community and creating a cooperative environment for those 11 school districts because of their common issues, their common problems, and their common opportunities. The Learning Community is governed by an 18-member coordinating council. That council has a 2-cent levy authority, which we modified in a bill that I introduced, LB585, to allow funds to go to early childhood education programs for children in poverty. I've been an advocate of early childhood programs, and LB585 provided that opportunity for the Learning Community to support such programs. Another component of the Learning Community is the superintendent advisory committee. LB585 also directed that advisory committee to develop the early childhood education plan which was approved just last year. This advisory committee has proven to be a powerful mechanism to bring cooperation and community to the Learning Community. There is also open enrollment as part of the Learning Community, but then there's the common levy. This is the 95 cents that is levied on all property in the two counties, Douglas County and Sarpy County, that make up the Learning Community. And that property valuation is redistributed to those 11 school districts. Now even though the common levy is a component of the Learning Community, I suggest to you that it is not the backbone of the Learning Community. Some may disagree and, in some cases, we may have to agree to disagree. But I contend that it is not the backbone of the Learning Community. In fact, I would suggest that it is the Achilles' heel of the Learning Community. Since the Learning Community's onset, the common levy has been the most contentious and divisive piece of the Learning Community. In doing research on the history of the Learning Community, I came across a November 20, 2006, Omaha World-Herald article that reported a group of five superintendents proposed a plan that would have preserved the boundaries, that would have called for the districts to work together, and that would have eliminated the common levy. Fast-forward eight years later, and we have all 11 superintendents, many of them who weren't around when the Learning Community was first created, releasing a report that, in part, calls for the elimination of the common levy. The report, titled "The Learning Community: Time for a Change?" states that the first problem with the common levy is that it takes funds from some school districts and gives to neighboring districts. This is where we create winners and losers, colleagues. The redistribution of these tax dollars place pressure on the net-loss school districts to maximize their tax levy. I believe the 11 school districts, a majority...I believe, of the 11 school districts, a majority are at their levy limit or close to it, and they

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continue to have pressure to keep those tax levies high in order to make up for the losses they are incurring as a result. My school district, Papillion-La Vista, is a growing school district, but they are at a net loss and they are tapped out on their tax levy. They are losing money to other school districts and have to keep looking for a way to reduce costs. Yet, of the 11 school districts, it already has the second lowest General Fund expenditures per pupil: \$8,869 per pupil, compared to the highest of...I'm sorry, \$8,869, compared to the highest of \$12,757. The report also points to the common levy on loss of TEEOSA dollars. I know there is a bill out there that finally addresses this, but over a five-year period, the state saved roughly \$13.5 million, frankly, on the backs of the Learning Community schools. Finally, the report points out that common levy does nothing to address the biggest needs of all the school districts, and that is to cover the cost of educating a growing number of children in poverty and children needing English language-learning services. In my opinion, the common levy is also at the root of valuation stagnation in the metro area because it is stunting development. There are communities in Sarpy County that are looking to grow, but development is tied directly to neighborhood school districts. We have school districts that would consider boundary changes but are reluctant because of their shortage of funds that come about as a result of the distribution of common levy. Get rid of the common levy, boundary negotiations can move forward. And I'm going to go off script for a moment. And I see a disappointment from the committee. I see some shaking of heads, and that disappoints me. We do not need the courts to resolve our boundary issues. If you take away the common levy, you allow these schools to keep their money, they will resolve their own boundary issues. We do not need the courts. I suggest to you that the common levy today is more destructive than constructive. It pits district against district; it pits county against county. I want to share a quote from Ted Stilwill. I know you've heard testimony from Mr. Stilwill today. He's the chief executive officer of the Learning Community. And though this quote is from the Papillion Times article published over a year and a half ago, I think it hits the nail on the head. Mr. Stilwill said, "By far, the most frequent complaint about the Learning Community is the common levy. A lot of people who want to get rid of the Learning Community really just want to get rid of the common levy, which neither I nor the coordinating council nor anyone at the Learning Community have anything to do with. It is entirely a legislative issue. But because of the frustrations over it, people are failing to see some of the pretty good things their Learning Community has nevertheless been able to do." I agreed with Mr. Stilwill when he made that comment a year ago, and it still rings true today. I'm asking you to let the Learning Community do what it does, let the superintendents go back to overseeing their schools. This six-year experiment with the common levy has proven to have some parts that work and some that don't. I seriously believe failure to address the common levy this year will result in the failure of the Learning Community as a whole. I respectfully ask you, Senators, to give my bill serious consideration. I ask you to give very serious consideration to LB96. Thank you very much.

[LB96]

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SENATOR SULLIVAN: Thank you, Senator Smith. Do you believe that...I know you don't feel that boundary negotiations should be settled by the courts. But do you believe that, without the common levy, it might then cause additional and new boundary disputes? [LB96]

SENATOR SMITH: I do not believe so, Senator, because we leave the boundary provisions in the law. We do not touch the boundary provisions today. If we remove the common levy, you allow the school districts to have their money that is due them through the TEEOSA formula. If there continue to be boundary disputes, I really, honestly believe that they will be resolved through the negotiation on good faith between the school districts. If they are not, I'm more than happy to come back in a subsequent year and address that problem. But I do not believe that kicking the resolution of boundary issues into the court system is neighborly. It certainly is not what Sarpy County stands for. [LB96]

SENATOR SULLIVAN: Thank you. Any other questions from...Senator Groene. [LB96]

SENATOR GROENE: Thank you, Chairman. Senator Smith, the...we've heard some people with farmland. Do you think it would help them at all? I mean would they be able to...I mean we've got a limit that you can only be at 95 to get state aid. How would that help them? Would it help them at all, your bill? [LB96]

SENATOR SMITH: Well, I believe my bill would help the rural members of the Learning Community, the rural member school districts of the Learning Community because, if my recollection is correct, somewhere between \$1-1.5 million a year is lost by South Sarpy, a rural school district of...in the Learning Community, and it's lost to some of the more developed school districts. They would be able to keep that money to put into their own school district. The taxpayers in that school district would see their money kept local. [LB96]

SENATOR SULLIVAN: Any other questions for Senator...Senator Kolowski. [LB96]

SENATOR KOLOWSKI: Thank you, ma'am. Senator Smith, thank you for your comments today. And I hope you didn't see my neck adjustment as a negative. When I crank my neck to the left or right, no different than going up and down in this chair. But I do have a problem with the boundary comments you've made. I was on the NRD board from 2004 to 2012. I heard about the boundaries and I heard about the ridge line in Sarpy County. I heard about that from all the districts and all the municipalities. To stretch that into a Learning Community issue or a problem, that existed way before...your issue about boundaries existed way before the Learning Community ever came about. And Sarpy County needs to solve that and you need to get the help to get that done between your districts, between your communities, and get that resolution so you can develop the rest of the county. I'm for your development of that, but you've got to get over

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that ridge line with sewer lines and water lines. You know that and I know that. So I'm...I have a...I have trouble with you placing that into the Learning Community area. [LB96]

SENATOR SMITH: Senator, I appreciate your comments, but I disagree with you because the boundary disputes that we are discussing are nowhere near the ridge line. They are along 370. [LB96]

SENATOR KOLOWSKI: I know they are. [LB96]

SENATOR SMITH: That's what we're talking about. [LB96]

SENATOR KOLOWSKI: I understand that, but... [LB96]

SENATOR SMITH: And I... [LB96]

SENATOR KOLOWSKI: ...they eventually go over the ridge line, sir. [LB96]

SENATOR SMITH: They eventually will, and we'll deal with that situation when it comes our way. But right now, what we're dealing with are the boundary disputes along 370, along a very developed area. And I believe that the school districts that are at odds at this point will negotiate in good faith to resolve that if they are made whole. [LB96]

SENATOR KOLOWSKI: We differ. Thank you. [LB96]

SENATOR SULLIVAN: Any other questions for Senator? You'll be here for closing, won't you? [LB96]

SENATOR SMITH: Yes, thank you. [LB96]

SENATOR SULLIVAN: Okay. We'll now hear proponent testimony on LB96. [LB96]

JERRY ANDERSON: (Exhibit 1) I'm sorry, Senator. I only brought ten...actually, I brought 11. [LB96]

SENATOR SULLIVAN: That's fine. [LB96]

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JERRY ANDERSON: But I need to keep one in case... [LB96]

SENATOR SULLIVAN: Sure. [LB96]

JERRY ANDERSON: ...I get some questions because I'm a numbers-type guy. Oh, let me give you this. [LB96]

SENATOR SULLIVAN: Welcome. [LB96]

JERRY ANDERSON: Honorable Senators, I'm Jerry C. Anderson, J-e-r-r-y A-n-d-e-r-s-o-n. I'm a resident of Papillion, Sarpy County. I'm here to support LB96 because the common levy does not treat the taxpayers equal. Here is how it doesn't treat them equally: The fact is that Douglas County and Sarpy County are abiding by the state law on how they do assessments. But in Sarpy County, we are assessed every year; in Douglas County, it's between four and five. I just called Douglas County Assessor yesterday. About every fifth year they assess. So the chart, the spreadsheet that I got there shows that just assuming a 5-percent increase in valuations. On the left, you see that, on a \$100 basis, you see that it increases for five years. Douglas County, it doesn't increase--it's the column that says \$2.50 down to \$2.63--does not increase. So their valuations are not going up during those years where ours are. This results in only a 32-cent difference per \$100, but it shows that Douglas County valuations are 2.56 percent less than ours. Doesn't sound like much, but if you just take a billion dollars for a year, equates to \$25 million that is not being evaluated or taxed in Douglas County. So if you look at four years, it's \$100 million. I looked at the assessment values in Douglas County, and it was close to \$30 billion. So if I just take 20, just 20 years, that would mean that Douglas County taxpayers are having...are 100...over \$200 million a year that is not being assessed. Now that's a lot of money that those taxpayers are not paying and that I or the Sarpy County taxpayers have to pay. I fully support this. And questions, please. [LB96]

SENATOR SULLIVAN: Thank you, Mr. Anderson. Questions for him? Appreciate your testimony. [LB96]

JERRY ANDERSON: Thank you, Senators. [LB96]

SENATOR SULLIVAN: Yes. Welcome. [LB96]

BRETT RICHARDS: Good afternoon again, Senators. [LB96]

SENATOR SULLIVAN: Yes. [LB96]

BRETT RICHARDS: (Exhibit 2) I got my readers this time. I can see a little better with them. I'm getting to that age where I forget to bring them but I really do need them. Brett Richards, superintendent, Springfield Platteview Community Schools, B-r-e-t-t R-i-c-h-a-r-d-s. I'm here to support LB96 and I'll try to keep it different from what I testified last time. Basically, I just want to point out the enormous amount of money that is being taken from Sarpy County. They have lost...the school districts combined have lost \$17,398,808 over the five-year period the common levy has been in place. County population has also slowed down for residential development due to developer concerns over building in our school district because we are considered a rural school district and have inferior facilities to Bellevue and Papillion. Those are the two reasons that I have received from the developers. When school districts in Nebraska...and I talked about the \$1.05 lid, I just want to give you a feel for what that means to us. We're capped at an 88-cent lid right now with no state aid. That's what the common levy has done to our district. So if you think of your own districts back home that need that ability to go up to \$1.05, you can see what it is doing to our district at this point. Our board of education does believe that we can resolve the school district boundary issues with Bellevue and Papillion if the common levy were removed and the superintendents' recommendations on resolving school districts were adopted. We did, in the recommendations in the superintendent report, offer that we have local school boards make the decision if they want to swap land, and then that would go to the State Reorganization Committee from that point on. I really think we can get this done by the end of this legislative session to show you that we are serious about that. LB528 attempts to give the Learning Community school districts the estimated \$3.267 million. Now that has been revised since I've had this down, but I want to show you how the common levy formula works for us. The previous LB528 bill puts \$3.2 million back in, but our district would lose an additional \$122,915. Four other school districts would also lose dollars by putting that \$3.2 million into the current formula, not the one that has been amended today for LB528. I'd be happy to answer any questions at this point. [LB96]

SENATOR SULLIVAN: Thank you, Mr. Richards. What has your enrollment done? [LB96]

BRETT RICHARDS: Our enrollment? Gone up by about 80 students over the past two years... [LB96]

SENATOR SULLIVAN: Okay. [LB392]

BRETT RICHARDS: ...to over 1,100 now... [LB392]

SENATOR SULLIVAN: Okay. [LB392]

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BRETT RICHARDS: ...which makes us about the thirty-fifth largest school district in Nebraska. [LB392]

SENATOR SULLIVAN: Okay. Thank you. Senator Schnoor. [LB96]

SENATOR SCHNOOR: Sir, could you explain to me, in the second paragraph you talked about, "Our district's revenue"--I don't have my glasses either (laughter)--"Our district's revenue this school year is essentially capped at an 88-cent levy, with no state aid." Could you explain that to me, please? [LB96]

BRETT RICHARDS: Sure. If we were under the other rules...or the other financial rules of the 235 school districts in Nebraska, we'd be able to levy up to the \$1.05. [LB96]

SENATOR SCHNOOR: Right. [LB96]

BRETT RICHARDS: Okay, so that would give us a total amount of a certain number. Well, if we take that and look at what revenue we have coming in from the Learning Community and the pooled state aid that is backfilled to us, it would come out to about an 88-cent levy of what we are eligible for... [LB96]

SENATOR SCHNOOR: Okay. [LB96]

BRETT RICHARDS: ...if that makes sense. [LB96]

SENATOR SCHNOOR: Yeah. Thank you. [LB96]

SENATOR SULLIVAN: Any other questions? [LB96]

SENATOR PANSING BROOKS: Can I...could I... [LB96]

SENATOR SULLIVAN: Senator Pansing Brooks. [LB96]

SENATOR PANSING BROOKS: Thank you. Could...do you have...can you show me where on this is, so I can understand it better? Do you have the...are the numbers here to show us what you're talking about, that 88 cents? [LB96]

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BRETT RICHARDS: Yes. I can give you that. They are in the spreadsheets. The first spreadsheet on the back page is from 2014-15, this year, for the schools. You can see what the Learning Community aid is on the left side and the totals. For example, in South Sarpy School District--which we're Springfield Platteview, by the way--it totals \$9,142,367 we get out of the 95 cents and the pooled state aid. On the right side, if there was no Learning Community--or, really, it should say, no common levy--we would receive \$11,301,587. And you can see that with every district, how they fare. And then the far column on the right shows the difference, and this year alone we lose \$2,159,220. [LB96]

SENATOR GROENE: What page was that? [LB96]

BRETT RICHARDS: That's on the back page of my testimony on the 2014-15 chart. And then it shows you 2013-14. [LB96]

SENATOR PANSING BROOKS: The first back page. [LB96]

BRETT RICHARDS: Oh, yeah, the first back page of the testimony. I'm sorry. The first page is...you flip. [LB96]

SENATOR COOK: Here it is. [LB96]

BRETT RICHARDS: You can kind of see how, if there was a Learning Community versus no Learning Community, how the districts would fare in 2014-15, 2013-14, and so on, since the common levy has been in place. [LB96]

SENATOR SULLIVAN: Senator Groene. [LB96]

SENATOR GROENE: So you're saying if you didn't have...if you were non...would you be nonequalized if you were on your own? [LB96]

BRETT RICHARDS: Yes. [LB96]

SENATOR GROENE: So you're saying, if you were nonequalized and you had a mill levy of 88 cents, you'd get the same amount of money... [LB96]

BRETT RICHARDS: Correct. [LB96]

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SENATOR GROENE: ...as you do now. [LB96]

BRETT RICHARDS: Correct. [LB96]

SENATOR GROENE: So that would help the farms because you wouldn't be at 95. [LB96]

BRETT RICHARDS: That's where the farmers out west have a little bit of relief because, as their valuations goes up, the school board can adopt that or adapt to that. [LB96]

SENATOR GROENE: Because they're nonequalized. [LB96]

BRETT RICHARDS: Yeah. They could take down their levy because their valuations are going up. And I've talked to some friends and colleagues out there in the superintendency that have talked about how their valuations have gone up 14 percent and then their...they've taken that, their tax rate, down a certain amount to compensate that for the farming community. [LB96]

SENATOR SULLIVAN: Senator Pansing Brooks. [LB96]

SENATOR PANSING BROOKS: Hi. Thank you. Thank you, Madam Chair. I guess what I'm wondering then is, if you look at the no Learning Community statistics, does that...would that including taking...educating and working on the early ages, all the early childhood education? Is that all pumped back into here, those costs? [LB96]

BRETT RICHARDS: That's the beauty of this. The common levy has nothing to do with the Learning Community, at all. This is a pooled...the only...well, I shouldn't say at all. They have the authority to tax the 95 cents for the two counties, but all this money is redistributed back to the school district, so the Learning Community themselves don't touch any of those dollars. The only dollars they get is from their 2-cent levy on early childhood or...and there's another one in there I'm not quite sure of. But really, the common levy has nothing to do with the Learning Community at all, other than they're the taxing agent. They just take all the money in and then redistribute it to a...according to a formula to...back to the school districts. [LB96]

SENATOR SULLIVAN: Any other...Senator Groene. [LB96]

SENATOR GROENE: So you're still responsible for your early childhood; you're still responsible for your kindergarten. [LB96]

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BRETT RICHARDS: Yeah, we have a... [LB96]

SENATOR PANSING BROOKS: What about the poverty? [LB96]

SENATOR GROENE: But you're losing funds that you're...to try to even do what you're responsible for. [LB96]

BRETT RICHARDS: Yes, because the Learning Community, their taxation that they do on the two-county area has to do with their early childhood programs to try to replicate for the rest of us to take a look at. Okay, so we don't really...the tax money we're talking about today with LB96 is the common levy, which doesn't have anything to do with those dollars. [LB96]

SENATOR GROENE: But at the end of the day, you still have to make sure a kindergartner has a good education... [LB96]

BRETT RICHARDS: Correct. [LB96]

SENATOR GROENE: ...and you're being restricted on your funding. [LB96]

BRETT RICHARDS: Yeah. Currently, in our district, for example, about 80 percent of our kids take our preschool program. And then all of them move into kindergarten that we offer, too, full day. [LB96]

SENATOR GROENE: Thank you. [LB96]

SENATOR SULLIVAN: Any other questions for Mr. Richards? Thank you for your testimony. [LB96]

BRETT RICHARDS: Thank you very much. [LB96]

ANDREW RIKLI: (Exhibit 3) Hello again, Senator Sullivan. Andrew Rikli, A-n-d-r-e-w R-i-k-l-i. I am the superintendent of the schools for the Papillion-La Vista School District. You do have a copy of my testimony. Much of it has been covered by Senator Smith's opening, as well as Mr. Richards' testimony, so I won't belabor any of the points that either of them made. I do want to thank Senator Smith again for introducing this legislation. We do believe that elimination of the common levy eliminates probably 90 percent of the controversy surrounding the Learning Community without gutting its essence--that is, its programs, and there are those that have a

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proven track record at making a difference for children. It really seems like a win-win. The one thing that I would add that hasn't been brought up, and that has to do with the decoupling of normal valuation growth relative to increasing enrollment. There are many school districts in the metro, as this committee is well aware, where property values are increasing. Now it has been rather modest the last few years. In the metro area, it's averaged between 1 and 2 percent per year. But in a revenue environment outside of Learning Community, if a district's property values are growing and their student population is growing, it works, because as the valuation grows, that's typically enough to support that increased student enrollment. However, in the Learning Community, as you are all aware, we as a local school district can only capture 10 cents of the \$1.05 limit. Everything else is redistributed, as Senator Smith and Mr. Richards explained so well. So it puts fast-growing districts in a particularly troublesome environment. The last thing I would add--Mr. Richards referenced this; Senator Smith referenced this--we don't see the boundary issue as one that needs to be directly addressed in legislation. Frankly, I think school boundary disputes are best solved by locally elected boards, those people that are closest to the problem. And I would tell you that we've had very productive conversations with Bellevue Public Schools, as well as Springfield Platteview Schools, so that if, hypothetically, the common levy went away, we would be ready to have that conversation. And with that, Senator Sullivan, I would conclude my testimony. [LB96]

SENATOR SULLIVAN: Thank you, Dr. Rikli. Any questions for him? Senator Cook. [LB96]

SENATOR COOK: Thank you, Madam Chair, and thank you, Dr. Rikli. So you're also of the mind-set that Senator Smith shares, that this would not lead to litigation and a court battle? [LB96]

ANDREW RIKLI: It's a good question. Again, I can't predict the future, Senator. I think, again, from some districts' perspective in the Learning Community, if the common levy wouldn't go away, they would need to see increased dollars for poverty and ELL allowances. If that doesn't happen, I think all bets are off, so to speak. [LB96]

SENATOR COOK: All right. Thank you. [LB96]

ANDREW RIKLI: Thank you. [LB96]

SENATOR SULLIVAN: Any other questions? Thank you, Dr. Rikli. [LB96]

ANDREW RIKLI: Thank you. [LB96]

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SENATOR SULLIVAN: Welcome. [LB96]

KYLE FISHER: Good afternoon. My name is Kyle Fisher, K-y-l-e F-i-s-h-e-r, live at 695 Elm Street in Springfield, Nebraska. Good afternoon, Madam Chair, ladies and gentlemen. Thank you for this opportunity to express my thoughts. Again, my name is Kyle Fisher. I'm here because, in our household, education is a high value. I admit, it was implanted into me in an early age. My parents were 30-year-plus teachers in Aurora. It's hard not to like education when that's what you're told to do. (Laughter) But previous...and with that, previously, I was on the Springfield Platteview Board of Education for eight years, and now I sit on the Learning Community Coordinating Council of Douglas and Sarpy County. In regards to the Learning Community Coordinating Council, which is now focusing more on early childhood and implementing a plan drawn up by the superintendents, has a neutral position on this issue. But as a Springfield resident, I believe this bill will help balance the funding in Springfield Platteview while not causing significant loss to other districts. As you heard, Springfield Platteview's revenue loss was 16 percent this year. That's just not fair. It would be as if the federal government decided Nebraska is well off, so you need to send 16 percent of your revenue to California or some such state to help their issues. While on the school board, we dealt with a flat revenue while cost rose. This made the revenue shift completely to the operating cost and not able to work on the buildings' repairs and maintenance and extensions. From this, we attempted...there were bonds attempted to be passed in Springfield, but the cost and needs were such...in such amount that the taxpayers decided not. Unfortunately, with that not approved, other things are being looked at now. With a measure such as this, I believe the district would be able to return to improving the building fund while maintaining the student abilities and reducing the amount for future bonds. Thank you for your time and for your service. If you have any questions... [LB96]

SENATOR SULLIVAN: Thank you, Mr. Fisher. Any questions for him? Thank you for your testimony. Welcome. [LB96]

MELISSA POLONCIC: (Exhibit 4) Thank you. I'm Melissa Poloncic, P-o-l-o-n-c-i-c, superintendent of DC Community Schools, DC West Community Schools. You ready? [LB96]

SENATOR SULLIVAN: Um-hum. [LB96]

MELISSA POLONCIC: Senator Sullivan and members of the Education Committee, thank you for allowing us the opportunity to speak on bills that would create change in the Learning Community. I am speaking in support of Senator Smith's LB96. The senator's bill directly addresses the component of the law that is most harmful to us as a school district. A good, strong step in making some significant changes in the Learning Community is the removal of the 95-cent common levy. The elimination of the 95-cent common levy and the return to individual state

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aid and individual levy status would allow us to return to our status as a nonequalized school. As a school district that runs a \$12 million budget, the 95-cent levy has had a very damaging effect on us. Due to the common levy, over the past five years DC West has lost \$5.4 million in potential revenue. This year alone represents a loss of 15 percent of our potential district revenue, equaling \$1.3 million. The Learning Community touts its mission of assisting students in poverty and has made some amazing impacts in this area, yet our school district, 30-percent poverty rate and 49-percent preschool through grade three, is one of the highest in the Learning Community. And we lose millions that could be spent on the kids who need it most. We are supportive of early childhood, and our preschool programs serve over 50 children, many who come from homes of poverty. We are very excited to be selected as a full-implementation site for the Superintendents' Early Childhood Plan and look forward to capitalizing on this program to serve our neediest children and families. An elimination of the common levy would allow us to expand the services for our students in poverty. In the past year, we completed a very important facilities study. We have identified our greatest needs as student safety and security, improving our buildings for handicapped accessibility, and creating greatly improved learning environment. This comes at a price tag of \$46 million. Our community voted this fall on the project, and we lost the bond by 139 votes. The ability to contribute to our special building fund, if not restricted by the \$1.05 levy, would mean we could lower the price of our bond. Our patrons know that approximately \$1.5 million of their tax dollars leave our district every year through the common levy. Many are not in favor of adding their tax levy to support a school bond when so many of their tax dollars are lost. I am wrapping up. You will hear in testimony on LB528 in greater detail about the work of the Learning Community Schools over the summer and fall. But removal of the common levy was a key component agreed to by all 11 districts in the Learning Community. The DC West School District supports Senator Smith's LB96, addressing the elimination of the common levy and return of the much-needed tax dollars to our school system. We are simply asking for fair and equitable treatment with respect to our use of tax dollars. Thank you. [LB96]

SENATOR SULLIVAN: Thank you, Ms. Poloncic. Is...are there questions? Thank you for your testimony. [LB96]

MELISSA POLONCIC: Thank you. [LB96]

SENATOR SULLIVAN: Welcome back. [LB96]

MELISSA JARECKE: Thank you. I'm Melissa Jarecke, J-a-r-e-c-k-e, and I'm speaking as a proponent to Senator Smith's bill. I think that taxation has to be fair in order to be even legal. And what's happening right now, as Jerry pointed out, is our...we have a very aggressive county assessor who raises our mill levy...our...in Sarpy County, raises our assessments every year. But

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in addition to that, he assesses our property higher than it's assessed in Douglas County. So we're all thrown into this one pot. But, like, farm ground is assessed much higher in Sarpy County. I just have 22 acres. I have a little acreage of marginal land, and it's assessed twice as high as anything would be in Douglas County of a similar nature. So when we start out with a false, you know, assessment in the two counties, then to apply a same mill levy doesn't make sense at all. As an example, I send \$4,900 into the Learning Community and \$400-some goes to the Springfield school system. And those are...that doesn't make sense to me. So I just respect that you consider all of this. And Senator Smith's bill makes a lot of sense to me. [LB96]

SENATOR SULLIVAN: Thank you, Ms. Jarecke. Comments or questions for her? Thank you for your testimony. Welcome back. [LB96]

DICK CLARK: Thank you. Chairman Sullivan, members of the Education Committee, my name is Dick Clark, D-i-c-k C-l-a-r-k, director of research for the Platte Institute. Thank you for this opportunity to speak in support of LB96 which would eliminate the Learning Community common levy, special building fund levy, and adjust TEEOSA accordingly. If I could just incorporate by reference my testimony from LB421, I'll leave it at that and ask you for any questions. [LB96]

SENATOR SULLIVAN: Any questions for Mr. Clark? Thank you for your...oh, just a minute. Senator Groene. [LB96]

SENATOR GROENE: Mr. Clark--thank you, Chairman--have you in your research talked to any of the original folks who came up with this common levy? I don't see any of them coming up here and testifying in favor of this... [LB96]

DICK CLARK: Well, I haven't... [LB96]

SENATOR GROENE: ...that have worked as they planned. [LB96]

DICK CLARK: Well, I haven't talked to any of them directly. However, you might remember that I quoted a certain former state senator who now resides in the District of Columbia who talked about some of his hopes for what the Learning Community could accomplish and, specifically, how it might work in place of the innovation that we could see from some school choice programs that might be alternative. [LB96]

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SENATOR GROENE: I think we've all decided there is two different issues here. There's the Learning Community and then there's this common levy. I haven't heard any proponents tell me that they think the common levy worked the way they thought it would. [LB96]

DICK CLARK: I haven't heard anybody claim that either, Senator. [LB96]

SENATOR GROENE: I just wondered if you had ran into anybody. [LB96]

DICK CLARK: No, sir. [LB96]

SENATOR SULLIVAN: Any other questions for Mr. Clark? Thank you for your testimony. [LB96]

DICK CLARK: Thank you. [LB96]

SENATOR SULLIVAN: Any further proponent testimony? [LB96]

DWIGHT TRUMBLE: Dwight Trumble, T-r-u-m-b-l-e. I would like my remarks from the previous two bills be applied to LB96 also. [LB96]

SENATOR SULLIVAN: Well done. (Laughter) [LB96]

RUTH EVANGELISTI: Okay. Ruth Evangelisti, E-v-a-n-g-e-l-i-s-t-i, and I'd also like my comments from LB421 applied to LB96. And hopefully, we can get tornado shelters and good plumbing for our students. Thank you. [LB96]

SENATOR SULLIVAN: Thank you very much for your testimony. [LB96]

SENATOR SULLIVAN: (Exhibit 5) Any other proponent testimony? I would like to read into the record a letter of proponents, in support of, by Allen Hager from Douglas County, I believe. All right, the...anyone wishing to speak in a neutral capacity on LB96? Oh, I forgot about...oh, excuse me. I'm sorry. Did I say neutral capacity? I meant opponents. Sorry. I apologize for that. [LB96]

LOU ANN GODING: No problem. Senator Sullivan and members of the Education Committee, my name is Lou Ann Goding, L-o-u A-n-n G-o-d-i-n-g. I am president of the Omaha Public

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Schools Board of Education. And for the reasons stated in my testimony on LB421, OPS also opposes LB96. Thank you. [LB96]

SENATOR SULLIVAN: Any questions for Ms. Goding? Thank you for your testimony. [LB96]

LOU ANN GODING: Thank you. [LB96]

SENATOR SULLIVAN: Anyone else in opposition to LB96? Anyone wishing to speak in a neutral capacity? Welcome. [LB96]

TED STILWILL: Thank you, Senator. Ted Stilwill with the Learning Community of Douglas and Sarpy County, T-e-d S-t-i-l-w-i-l-l. Sorry for the strange spelling of my last name, but you'll have it memorized by the end of the day. (Laughter) Appreciated the...Senator Smith's introduction. I would very much agree with his remarks as well as his quotation. The Learning Community Coordinating Council has voted to take a position of neutrality on this bill simply because it is largely a school district funding bill, does not affect the operation of the Learning Community to a significant extent. I think, as Senator Smith, the superintendents have spoken, have clearly described the situation, there's not need for me to be redundant about that. I would like to reinforce what a couple of the superintendents mentioned, that their collective recommendations to you as an Education Committee tied improvement and TEEOSA funding for poverty and ELL to the elimination of the common levy. And I think that is still the case. I would just point that out and, I think, encourage the committee to look carefully at the implications if the common levy were eliminated, just in terms of...there's been some conversation about who wins and who loses by virtue of the existence of the common levy. I think the same thing is true with any kind of a formula and/or the absence of the common levy. What happens if that goes away? And we're simply involved with TEEOSA. I think there are ramifications to that, as well, but those are ramifications that ought to be spoken to by individual school districts. Be happy to answer any questions. [LB96]

SENATOR SULLIVAN: Thank you, Mr. Stilwill. Any questions for him? Thank you. [LB96]

TED STILWILL: Thank you. [LB96]

SENATOR SULLIVAN: (Exhibit 6) Anyone else wishing to speak in a neutral capacity? I would like to read into the record of a letter of...speaking in the neutral by Dr. David Black, mayor of the city of Papillion. Senator Smith. [LB96]

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SENATOR SMITH: Thank you for allowing me to close, Senator Sullivan and members of the committee. Again, LB96 I present to you as an alternative to the elimination of the Learning Community. It's an alternative to eliminating some of the good things that have been gained through LB585. In short, it makes whole our school districts by eliminating the common levy. It keeps the remaining components that work well in place, including the early childhood component that we arrived at with LB585 Senator Kolowski worked with me last session on. It also leaves in place the levy authority of the Learning Community, the 2 cents that we talked about: 1.5 cents for early childhood programs and a half cent for the facilities. It leaves in place the transportation provisions and the governance. It leaves in place the opportunities for the 11 member school districts to continue to cooperate. It also allows our school districts to have a chance to resolve their boundary issues on their own, without the court's influence. And finally, it gives us time, it gives us room to be able to address additional funding needs that we have in our metro-area schools, and I believe we can arrive at that in separate legislation. Members of the committee, again I ask that you consider LB96 as an alternative to address the largest complaint with the Learning Community, which is the common levy, without affecting those good components of the Learning Community. So thank you for your time. [LB96]

SENATOR SULLIVAN: Thank you, Senator Smith. Any questions for him? Thank you. That closes the hearing on LB96. We will now move on to LB392. Welcome, Senator Crawford. [LB96]

SENATOR CRAWFORD: (Exhibit 1) Thank you. Thank you. Good afternoon, Chairwoman Sullivan and members of the Education Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. LB392 eliminates the 95-cent common levy for the Learning Community of Douglas and Sarpy County. It also restores the educational service unit funding to schools in Douglas and Sarpy County schools. These two provisions reflect the spirit of part of the financial components of the Learning Community report issued by the superintendents of the 11 Learning Community schools this fall and the boundary recommendation from the report, plus a provision that was important to Bellevue Public Schools, raised during the discussion of the report, related to the school boundaries. LB392 does not address the poverty provision of the superintendents' report specifically. However, I am very supportive of a package or a combination of bills that includes a policy to address this important recommendation. As a senator with three Learning Community school districts in my district, I see multiple perspectives on the Learning Community. As a senator with both Omaha Public Schools and Bellevue Public Schools in my district, I am concerned that the common levy has not worked, as intended, to direct more resources to landlocked property tax-poor districts. The Learning Community was a frequent topic of conversation when I went door to door as candidate. Many of the people I talked with were concerned about kids in the Bellevue Public Schools and in Omaha Public Schools, but they were frustrated when they see the common levy money has not been going to the schools and

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districts they see as most in need. School districts across the Learning Community are similarly concerned because these 11 school districts have received \$13.5 million less in state aid over the past five years than they would have without the common levy. Two of the schools in my district, Springfield Platteview and OPS, are listed in the superintendents' report as two of the three most disadvantaged schools under the common levy. This means these schools lose the most money under the common levy. LB392 also eliminates the Learning Community exceptions in current boundary statutes, a recommendation of ten of the superintendents, and creates a process if negotiations over agricultural land transfers between the Learning Community schools break down, which was a concern of Bellevue Public Schools. As the fastest-growing county in Nebraska, Sarpy County needs flexibility as it grows and develops. I believe productive discussions are happening, and it is my hope that the school districts are able to work out a deal without needing the added process created by LB392. However, having a process, in the case of...that negotiations break down, is important to ensure confidence that all parties negotiate and engage in good faith. Under the bill, any of the affected districts involved in a negotiation under agricultural land may petition the district court after 90 days of negotiation. At that time, the district court judge decides whether or not one or more of the parties have negotiated in good faith. The judge could then make one of the two determinations following the hearing: (1) both parties have acted in good faith, no transfer, process ends; (2) one or both parties have not acted in good faith and return to negotiation. If the parties are ordered to return to negotiations and these further negotiations also fail after an additional 90 days, the court shall issue an order transferring the property in question to the first-class city's school district. The court shall determine an amount of fair consideration to be paid by the receiving school district to the transferring school district. This provision is similar to language found in LB1101, a bill that I introduced last year involving the Learning Community. However, LB392 includes criteria for the judge to consider when determining whether affected school districts negotiated in good faith. These criteria mirror language in other school boundary statutes that we already have in our statutes. While the educational needs of a child are key, other criteria, such as community educational planning and the economic impact on the affected school districts, also matter. The jurisdiction of the Education Committee focuses on schools, but our state...and our state students, appropriately. However, these decisions also have other implications that are critical. The pages are...and I would also say, the intent of the boundary dispute language is really...only kicks in if the parties are not able to come to an agreement. And a key criteria there is negotiating in good faith, so we try to leave the negotiation to the school districts as much as possible. The pages are now circulating an amendment to LB392 limiting the tax authority for research to up to a one-half-cent levy. Given 2014 projections, this could bring in \$2.4 million, which is more than sufficient to cover the previous ESU funding for this research and evaluation. Despite my concerns about the common levy and the frozen boundary components of the Learning Community, I'm in strong support of the early learning initiatives of the Learning Community. These remain intact under LB392. I have friends whose children attended Jump Start and speak very highly of the program. The early learning outcomes' results have been

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promising, including data from 2013-14 showing significant improvements in kindergarten readiness. I have also had the chance to visit the south Omaha facility and see firsthand how well these programs work for families with young children. One outcome I was particularly impressed with was a finding that parents involved in a program in south Omaha reported 100-percent participation in parent-teacher conferences that quarter. An annual report from the Learning Community notes that 88 percent of parents in their programs participated in four or more school activities. These are all very positive outcomes from the early learning component of a Learning Community. The Learning Community's family liaison program has been shown to improve students' academic achievement and reduce family stress, improvements that were statistically significant. It has also received positive reviews from families who participate in this program. The early learning programs of the Learning Community have brought people together to target improvements for early learning and parental involvement in the Learning Community. These are positive initiatives we can continue if we focus on this consensual aspect of the Learning Community and are willing to eliminate parts of the Learning Community that face overwhelming and consistent opposition. When all 11 superintendents and most of the school boards speak, we should listen. Thank you. [LB392]

SENATOR SULLIVAN: Thank you, Senator Crawford. I would like to ask for just a little bit of a clarification on the boundary component of your legislation. [LB392]

SENATOR CRAWFORD: Sure. [LB392]

SENATOR SULLIVAN: They meet to negotiate. That falls apart. They meet again. And then elaborate on the next step after that. [LB392]

SENATOR CRAWFORD: Sure. I'll...let me just get to that component here. Or I could go back to my testimony. It's actually...I can read it from the testimony. So they...I didn't mark that. It's a long bill. [LB392]

SENATOR BAKER: Page 36 of the bill. [LB392]

SENATOR CRAWFORD: Thank you. Maybe start before...so one key that's important here--it starts on page 35--and one of the key issues here is what triggers this mechanism in the first place. And I will say, we have tried to be careful in crafting that language, but...and reaching out to people to see if there were concerns or questions about the trigger in that language, and we are open to discussions if that language needs to be tightened or changed in some way. So that wasn't your question, but I'm just...I'm just taking advantage while we're right there, looking at it, to make that point. [LB392]

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SENATOR SULLIVAN: Sure. [LB392]

SENATOR CRAWFORD: All right. Thank you. So if they're unable to reach agreement after 90 days, any of the districts can petition the district court for a determination as to whether the parties have negotiated in good faith. And then, if the court determines that either have not negotiated in good faith, it can order that they continue negotiating. In determining whether they have negotiated in good faith--this is part of the new language--the court shall...can...shall consider one or more of the following criteria. And what we've pulled in the bill this time, this was language from other existing statutes on what should be considered in boundary changes. And that's where those...that language comes in on educational needs of students and economic impact and common interests and community educational planning, so that we can really...they can consider those factors. So if the court orders the affected school districts to continue negotiating and no agreement is reached after 90 days following such order, the court shall issue an order transferring the property in question to the school district containing such city of the first class and determining amount of fair consideration to be paid by the receiving school district to the transferring school district. So they have the 90 days and a judgment of whether to continue negotiating or stop negotiating. If the judge rules they have negotiated...they have been negotiating in good faith and there's just not agreement, the judge can say, I'm sorry, both parties have been negotiating in good faith, there's not an agreement because there isn't an agreement, because there isn't, and...but if it's...so the process can stop if the judge feels they've been negotiating in good faith. If the judge feels they need further negotiation, he can encourage that or require that. And then, if it gets to the point where there simply is a stalemate, in this language it then allows the property to be transferred to the district in the city of the first class. And this is in an agricultural, undeveloped area, so this is the first class in that situation where there's undeveloped land. [LB392]

SENATOR SULLIVAN: Okay. All right. Thank you. Any other questions? Senator Groene. [LB392]

SENATOR GROENE: Thank you, Chairman. Senator Crawford, this could have been asked of anybody, but you're the one who gets it. I'm looking at all this information and I see \$3.8 million fiscal, same with Smith's, Senator Smith's. Seems to me, if we get rid of the busing, there's a wash, because that's \$3.9 million. And the people you talked to in your districts, is the busing helping or...it seems the Learning Community wants to take the improvements right to where the children live. So if we let the Learning Community do what it wants to do, improve education where the children live, why do we...why can't we get rid of the busing? And this is more palatable to the Appropriations Committee. [LB392]

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SENATOR CRAWFORD: So the \$3.8 million in the fiscal note, that is the cost of the additional TEEOSA funding that would be flowing to these districts without the Learning Community. So my bill doesn't address the transportation piece. [LB392]

SENATOR GROENE: Yeah, neither did... [LB392]

SENATOR CRAWFORD: I think there is another bill that does. [LB392]

SENATOR GROENE: Neither did Smith's. [LB392]

SENATOR CRAWFORD: Again, my bill is pulling a few of those proponents (sic) for...putting them on the table, but I hope that we will have a discussion of a whole package of bills that will address different provisions that were in the superintendents' report. [LB392]

SENATOR GROENE: Do you know... [LB392]

SENATOR CRAWFORD: And mine does not really address the transportation piece. [LB392]

SENATOR GROENE: Talking to your school districts in your area, do they have many enrollment students or option in...not option-in, but open-enrollment students? [LB392]

SENATOR CRAWFORD: It is my understanding that the transfer of students under the Learning Community has not exceeded what they were seeing before in optional enrollment, but I'll let people behind me confirm or correct that. [LB392]

SENATOR GROENE: That's fine. [LB392]

SENATOR SULLIVAN: Any other questions for Senator Crawford? And you'll be here for closing? [LB392]

SENATOR CRAWFORD: I will. Thank you. [LB392]

SENATOR SULLIVAN: Very good. Thank you. Welcome. [LB392]

FRANK HARWOOD: (Exhibit 2) Good afternoon. Senator Sullivan and members of the Education Committee, thank you for the opportunity to speak with you today. My name is Frank

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Harwood. I'm the superintendent for Bellevue Public Schools. I'm here today to support Senator Crawford's LB392. I would like to thank Senator Crawford for introducing this bill to support Bellevue Public Schools and the Bellevue-Offutt community. In my four years in Bellevue, I have come to the Education Committee every year to give or hear testimony about the Learning Community. Although there have been minor adjustments in the learning community law, the most damaging aspects have not been addressed. LB392 seeks to make these changes. By far, the most damaging part of the learning community statute to the districts is the 95-cent common levy. Although I've heard differing views on the intention of the common levy, it is not having the impact expected by the Bellevue Board of Education. Due to the sharing of property tax and state aid, Bellevue Public Schools is not provided revenues within the formula to meet our calculated need under TEEOSA. For this reason, I feel the learning community funding formula is inherently disequalizing. For the city of Bellevue, the most damaging aspect of the learning community statute is the freezing of the district boundaries. Although we are fortunate to have excellent schools in Nebraska, school boundaries do impact the willingness of developers to invest in certain locations. For this reason, the city of Bellevue has an economic development interest in seeing the Bellevue Public Schools' boundaries expand to meet the needs of the city. It is important to remember that the freezing the boundaries and the 95-cent common levy were part of a compromise, and they should be considered a package. LB392 seeks to allow for the growth of a city of the first class and the school district that supports it without bringing back issues of one city, one school. Although I am here today to support LB392, I do need to point out that it does not encompass all of the recommendations proposed by the Learning Community superintendents. It does not address the rising costs of open-enrollment transportation or the funding to provide for the educational needs of students living in poverty or who are learning English. I would urge the committee to look at LB392, LB528, LB530, and LB582 as a way to address the issues presented by the Learning Community superintendents. Again, I would like to thank Senator Crawford for introducing LB392 and the committee for listening to my input. I'd be happy to try to answer any questions. [LB392]

SENATOR SULLIVAN: Thank you, Mr. Harwood. Questions for him? [LB392]

FRANK HARWOOD: I actually can answer part of Senator Groene's question, if you wanted to know, so. [LB392]

SENATOR GROENE: Okay. [LB392]

FRANK HARWOOD: So for Bellevue Public Schools, we have almost exactly...well, we've grown some, but about 15 percent of our students are open and option enrollment now; about 15 percent were option enrollment students before. The difference we see in that population is that there's a higher rate of students of poverty that are taking advantage of the open-enrollment

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transportation. So I do believe that the open-enrollment transportation does afford a choice for families that may not have otherwise been able to take advantage of the choice through option enrollment. It's not a huge number, but it is different. [LB392]

SENATOR GROENE: Thank you. [LB392]

FRANK HARWOOD: Okay. [LB392]

SENATOR SULLIVAN: Thank you for your testimony. Any other proponent testimony? Welcome. [LB392]

DENNIS VAN MOORLEGHEM: (Exhibit 3) Well, good afternoon. I'm Denny Van Moorleghem, V-a-n M-o-o-r-l-e-g-h-e-m. I represent the Metropolitan Omaha Builders Association and Build Omaha, which are the two homebuilders' associations in the Omaha area, and also most of the developers in the Omaha area. You know, families are built within neighborhoods, and neighborhoods are built around schools. And we do our best and invest our money as wisely as we can to provide that for our homeowners. We are currently being hampered dramatically by the boundary issue. This whole south side of 370 is pretty much on hold. We've got people who want to live in those areas, they want to live in new homes and, of course, with the boundary issues the way they are, that's not possible. We invest millions and millions of dollars in these subdivisions, and it's a high-risk venture at best. If...we need...and our buyers primarily decide where they want to live because of schools and sewers, sewer locations. We have to come for the sewers. They have to...and then they want their kids to go to the right schools. So we support the removal of the Learning Community. That seems to be the key, not only today but in what we've been studying for the last several months, about the boundary issue. The Senator Crawford's bill that talks about a mechanism to force the parties really to negotiate, to make it work, is what we...we need a security blanket. We need something to say that this is going to happen. Now the current members of this...of the different school districts may negotiate in good faith, and I think they have from what we've been able to learn. They're all on the same page today. But this legislation isn't going to be just for today or the next few years. We'd like to see something that...some mechanism that addresses the school issue, boundary mechanism. The legal thing, we don't like. Nobody likes...nobody wins. All right? But that's all we could think of to make this palatable. As we...because of the school boundary issue, because of the gridlock on the issue, our prices of our houses are going up. Land value is going up in the districts where the people want their families to be, to go to school. Tax values are being hurt on the...well, on your side of the desk, because those buyers can't afford our houses or won't soon be able to afford our houses. They'll be going to the existing market, which is fine for them. It drives that prices up sooner or later. But the tax revenue and the rooftops just aren't there. Okay? I...one of the handouts that we passed out today shows the two subdivisions in...just south of Papillion.

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We've got Shadow Lake subdivision which built out very, very quickly, even during the housing recession, because it was in the right place even though it was the wrong time, okay, because of the housing slowdown. The little box below that is...I think it's about 80 acres. It's been on the market for years and years and years, and it's in a school district that our buyers say they don't want to be in. So that land, it sits there. If...you can see that the current valuation for the projected ground is \$61 million, and its current valuation is \$300,000. So that is money that could be used by the school systems, based on their property tax revenues, to better their school systems. [LB392]

SENATOR SULLIVAN: Sir, the red light is on, so can...if you could... [LB392]

DENNIS VAN MOORLEGHEM: Oh, I talked too long. [LB392]

SENATOR SULLIVAN: That's... [LB392]

DENNIS VAN MOORLEGHEM: Oh, I'm sorry. [LB392]

SENATOR SULLIVAN: (Laugh) That's all right. [LB392]

DENNIS VAN MOORLEGHEM: Well, okay. Well, I think I made my point. [LB392]

SENATOR SULLIVAN: Okay. [LB392]

DENNIS VAN MOORLEGHEM: It's very important to us that we have some way that we can gauge our investment decisions... [LB392]

SENATOR SULLIVAN: Okay. [LB392]

DENNIS VAN MOORLEGHEM: ...and help our families. [LB392]

SENATOR SULLIVAN: Any questions for him? Senator Groene. [LB392]

SENATOR GROENE: I'm...thank you, Chairman. But if the common levy is 95 cents, where is the valuation difference? [LB392]

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DENNIS VAN MOORLEGHEM: I don't know the details on all...on how that works. That's the schools. [LB392]

SENATOR GROENE: I mean, why don't folks want to be in one district or another, because the schools aren't as good or they... [LB392]

DENNIS VAN MOORLEGHEM: Oh, that's a good point. No, not at all. The schools are good. The schools in all the districts are good. [LB392]

SENATOR GROENE: But the tax levy is the same, so I don't understand where the... [LB392]

DENNIS VAN MOORLEGHEM: If we build a subdivision in Papillion and the nearest school is ten miles away, people aren't going to buy a house in that subdivision. It's a location thing; it's not a quality-of-education thing. [LB392]

SENATOR GROENE: But if the levy is the same, they can...there's no fence there. They can go to the other school. [LB392]

DENNIS VAN MOORLEGHEM: But they won't...families are built...families want their kids in the same neighborhood, and the neighborhood kids will play with the kids going to the same school. So they won't...I mean, if it's too far away, they're not going to be there. They just want to buy a house. It's been proven over and over again, and we can't afford that risk with all the money... [LB392]

SENATOR GROENE: So you're assuming, if you expand, they're going to build another grade school in one of the school districts real close to that. [LB392]

DENNIS VAN MOORLEGHEM: If they have the tax revenue to do it and they can shift and they can make the...their income from taxes more level. Yeah, they're either going to...yeah, one way or another, they'll work it out. [LB392]

SENATOR GROENE: But wherever they're at, they're going to pay the same taxes because the levy is depending on... [LB392]

DENNIS VAN MOORLEGHEM: Oh, yeah. It's not a tax issue. No, it's about proximity to where the kids go to school. [LB392]

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SENATOR GROENE: All right. Thank you. [LB392]

DENNIS VAN MOORLEGHEM: Okay. [LB392]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB392]

DENNIS VAN MOORLEGHEM: Okay, thank you. [LB392]

SENATOR SULLIVAN: Welcome. [LB392]

GERALD TORCZON: Thank you. I won't repeat anything Denny said. My name is Gerald Torczon, G-e-r-a-l-d, Torczon, T-o-r-c-z-o-n. I'm a real estate developer. I develop industrial tracts, commercial, apartments, single family, and I farm. I have a farm in Springfield. I've worked with most of the school districts in the Learning Community. I graduated from an OPS high school. I will say that Denny hit on a lot of the points I wanted to talk about. I testified last year. I'm in support of getting rid of the common levy. I see no reason to get rid of the Learning Community. Senator Kolowski hit the nail on the head. This is a sewer issue, school boundary issue, money issue. You know, the...it's the lack of state funding and funding that have been reduced to the school districts. The sewer ridge line in Sarpy County runs almost parallel to Schram Road and then, going south, it goes near Capehart Road, which is only a mile south of Highway 370. Half the county does not sewer and probably 85 percent of Douglas County is developed. Most developers feel that Sarpy County is going to be the growth engine of jobs and manufacturing and all growth in the metropolitan area in the next 10-15 years. They're probably not ready for it. They're without the sewer and the infrastructure in place. The Sarpy County Board just passed a study that is going to study the cost, but it's a \$100 million-plus problem. I don't think one city can build that sewer system. I don't think two cities can build that sewer system. I don't think the county can do it by themselves. It's going to be a combination of city, county, and private sector, and the private sector would be us. And to do that, you know, we have to invest money in projects that have a high probability of success, which is, from our standpoint, is typically contiguous to development. This says nothing about the quality of education in any of the districts. I think they're all good schools. I have numerous teachers in my immediate family, and I just think that...I see my time is coming up. But the infrastructure is definitely tied to the school boundaries, and the school boundaries are tied to the funding. And if funding was provided to replace the lost funding, I think everything could be settled and handled. I'm up on time, so I'll answer any questions. [LB392]

SENATOR SULLIVAN: Thank you, Mr. Torczon. As you said, the projections are that there's...this area is going to...is a high-growth area, projected to be. So if that's the case, why is there not enough inclination to take the risk, so to speak, when it appears that there will be some

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dividends paid down the road, rather than waiting for a school district to make the decision?
[LB392]

GERALD TORCZON: Commercial properties usually follows residential property. Residential property is developed by...and by the developer based on the probability of success. The locations of the school are the big one. I developed Shadow Lake, and I've developed some stuff around the ball diamond. And my buyers would like to halfway see where their schools go. About a year and a half ago, I was asked to attend a meeting at the city of Bellevue by the mayor. And they asked me, as president of the Home Building Professionals of Greater Omaha, and the question was, how do we get growth to Bellevue? And knowing their situation probably better than them, I put a map on the table and I said, show me your ETJ, which is all your surrounding, undeveloped ground around your city. And they had it. And I said, now show me one farm that's in the Bellevue school district that can be purchased and developed, and that was the end of the discussion. There wasn't one, so. [LB392]

SENATOR GROENE: Excuse me. Can I... [LB392]

SENATOR SULLIVAN: Senator Groene. [LB392]

SENATOR GROENE: Historically, communities have grown because of free-market factors, jobs, and I'm hearing that a school has got to be there before the people come. But that's not historically what happens. Children come, jobs comes, and then the people get together and build their school. [LB392]

GERALD TORCZON: Well, typically, like I said, it's contiguous. We will develop contiguous to Millard or Papillion or Bellevue. And as more residents come, then they will build more schools to adapt that. A lot of the schools, even though you have open enrollment, you know, you can't get into them. And, you know, prime example around Shadow Lake, the commercial really succeeded because of the amount of rooftops that came before the commercial. And that will be the same situation around the ball diamond. We're developing stuff there, and now the phone is starting to ring from commercial people because they see the rooftops. So the rooftops are the first one. [LB392]

SENATOR GROENE: So you're saying school districts won't do bond issues for new schools because of this common levy? [LB392]

GERALD TORCZON: No, no. They'll do bond issues. And all the school districts are great to work with and they'll do it. It's the school boundaries. If you look at a map, and I think one was

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provided to you, half the county is Springfield Platteview. They're just a great big district. There's nothing wrong with them, but they're just a huge district. And it's kind of ironic, but their northern property line is very close and consistent with the ridge line. And that's really the key here. You're not going to develop Sarpy County until you build the sewer, and there's nobody capable to do the sewer. It's going to be a collaboration of city, county, and private sector. But private sector is not going to come to the table, I don't see anybody, just because, you know, that...it's...we can't force consumers where to go. We can't force them where to buy a hamburger. We can't force them anything. They're consumers and they make up their own mind. [LB392]

SENATOR SULLIVAN: Any other questions for Mr. Torczon? Thank you for your...oh.
[LB392]

SENATOR KOLOWSKI: That's okay. [LB392]

SENATOR SULLIVAN: Thank you for your testimony. [LB392]

GERALD TORCZON: You bet. Thank you. [LB392]

SENATOR SULLIVAN: Welcome. [LB392]

JEFF CLAUSON: (Exhibit 4) Thank you. My name is Jeff Clauson, C-l-a-u-s-o-n, and I'm the president of the Douglas County West Community School Board. I would like to thank all the members of the Education Committee for allowing us to address this committee with comments and concerns that come from a local perspective. I am here to speak in support of LB392 as introduced by Senator Crawford. The bill addresses the biggest problem of the Learning Community and its effect on my district's financial health and thus our viability as an independent school district: the 95 cent common levy. This bill most closely resembles the recommendations made by the comprehensive report by the superintendents of the Learning Community produced last year in response to a request from this committee. Make no mistake, there are good things in the Learning Community concept as identified in this report. But there are just as many if not more items that are just not working as the bill in the initial legislation...as billed in the initial legislation. I lived in the Douglas County West district for the past 15 years with my wife and three kids, all of whom have attended or are attending DC West. We are a school just outside of Omaha. We enjoy being a small school that offers the opportunities of a larger school district while keeping the small town school feel. This is increasingly difficult with the crushing burden of the common levy. This burden can best be exemplified when you look at our budget. The budget for our school district is approximately \$12 million. Our district lost \$1.3 million in revenue to the Learning Community last year alone. Senators, that is a loss of nearly 11 percent. I ask you, how could your school district survive that and explain that average loss of

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over 10 percent a year going to another state or district on an annual basis to your constituents, as someone said earlier, someone from California. We're paying them to help them out of their hole. Our district has lost \$5.4 million in just the past five years in funding that if we were not in the Learning Community we would have had. When the Learning Community was created, two of its primary missions were to assist students in poverty and focus on early childhood education. Our school supports at present 847 students from K-12, much like many of your local school districts. However, we have a 36 percent poverty rate as a district and a 49 percent poverty rate pre-K through 3, which is one of the highest in the learning community, and yet we continue to lose millions of district taxpayer dollars to the Learning Community. Like many school districts around the state, our facilities were built in the '50s, '60s, and '70s and are in dire need of upgrades. We have completed a facility study and have used this to identify our greatest needs. These needs include the increased need and expectation for student safety and security, increased handicap accessibility to and within the school, and increasing our infrastructure to be able to handle the increasing use of technology in student learning. The price to upgrade all of our buildings comes at a cost, and this cost for us is \$46 million. I'm an elected representative just like you. And it's very hard to ask constituents for more money when over 10 percent of the money leveraged on them for the school doesn't come back to the district they live in for these types of projects. To that end, our bond failed by 139 votes. We had been...had we been allowed to keep the \$5.4 million levied on our constituents from the past...just the past five years for our school district, we would have been able to apply that money to our building needs and reduced our bond. The Douglas County West School Board is in full support of Senator Crawford's LB392 addressing the elimination of the common levy and keeping the focus of the Learning Community on what it was meant: early childhood education. Thank you for your time. [LB392]

SENATOR SULLIVAN: Thank you, Mr. Clauson. [LB392]

JEFF CLAUSEN: Any questions? [LB392]

SENATOR SULLIVAN: Any questions for him? Thank you for your testimony. Welcome. [LB392]

LARRY BURKS: Good afternoon, Senator Sullivan and members of the committee. I am Larry Burks. I am...that's L-a-r-r-y B-u-r-k-s. I am the assistant city administrator for the city of Bellevue. One of my principal roles for the city of Bellevue is economic development or community development. And Mr. Torczon hit on the boundary issue that is hindering housing development in Bellevue. Our job as local government officials and local government elected officials is to expand the base and...rate...and retain growth, okay? This has hindered that. I'm not an expert on it, but we've heard all the testimony before from those who are. I just know citizens don't want to build homes in areas where they would have to drive their children five to ten miles

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when there is a school which is a short drive or even walking distance from the house...the area where they want to buy their house or build their house. I want to thank Senator Crawford for presenting this bill to the Legislature. It's an effort to eliminate the confusion and conflicts caused by the Learning Community. Bellevue, within its jurisdictional territory, has four districts. So being able to adjust those boundaries is very important for us to just simply improve on community development and understanding of a community and eliminating that confusion for new home owners or people considering Bellevue for their business or home. More importantly, I think LB392 offers that resolution if there is a disagreement on the boundaries. And I'm very pleased to hear that the superintendents and the school boards are communicating well. However, over time we know that administration and elected officials change. And good, sound policy calls for contingencies when there are disagreements or stalemates in decision making. So I believe this is sound legislation and it's important to consider. Finally, in addition to being assistant city administrator, I have a graduate degree in public administration from University of Nebraska at Omaha--go "Mavs"--one of the finest schools for public administration, arguably, in the United States. I'm also a practitioner. I have been for ten years or better now. And last but not least, I am an educator. I...adjunct professor for Bellevue University undergraduate public administration program. And I just want to ask you not to overcomplicate the issue. The basics, when it comes to organizational development or organizational sound condition, is that many of these issues we're talking about today are just symptoms of a greater problem. And that problem is, the stakeholders that are involved in the Learning Community and the folks that are funding the Learning Community...there's a deteriorating support for the Learning Community. So that in itself is a huge issue that's going to need to be addressed in addition to all of these other issues. [LB392]

SENATOR SULLIVAN: Thank you, sir. [LB392]

LARRY BURKS: Thank you for your attention today, and I'd be happy to answer any questions if there are any. [LB392]

SENATOR SULLIVAN: (Exhibit 5) Thank you. Thank you for your testimony. Any questions? Thank you very much. Anyone else wishing to speak in support of LB392? I would like to read into the record a letter of support for LB392 from Dr. David Black, mayor of the city of Papillion. Anyone wishing to speak in opposition to LB392? Welcome back. [LB392]

LOU ANN GODING: Thank you. Senator Sullivan and members of the Education Committee, my name is Lou Ann Goding, L-o-u A-n-n G-o-d-i-n-g. I'm president of the Omaha Public Schools Board of Education. For the reasons stated in my testimony on LB421, OPS also opposes LB392. Thank you. [LB392]

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SENATOR SULLIVAN: Thank you. Any questions? Thank you for your testimony. Anyone else wishing to speak in opposition? Anyone wishing to speak in a neutral capacity? Welcome. [LB392]

TED STILWILL: Senator, thank you. Thank you, members of the committee. Again, the Learning Community Coordinating Council has asked me to report a position of neutral on this bill for its reasons previously stated with regard to the elimination of the common levy, feeling that's a district point of view. And particularly if the districts don't necessarily agree with each other, it's coming on the Learning Community... [LB392]

SENATOR SULLIVAN: Excuse me, Mr. Stilwill, did you introduce yourself for the record? [LB392]

TED STILWILL: I did not, I don't believe. Ted Stilwill, T-e-d S-t-i-l-w-i-l-l. Okay...stated the position of neutrality for the reason Senator Cook's (sic) bill adds question of boundaries,... [LB392]

SENATOR SULLIVAN: Senator Crawford. [LB392]

TED STILWILL: ... an issue on which the Coordinating Council also wishes to remain neutral, and I think that's appropriate. That's my recommendation to them. It also addresses an issue of evaluation costs currently being...we currently benefit from funding through the ESU core services. Senator Crawford's bill takes another tack on that that would be satisfactory as well. So we're neutral on this bill...be happy to answer any questions. [LB392]

SENATOR SULLIVAN: Thank you, Mr. Stilwill. Any questions for him? [LB392]

TED STILWILL: Thanks. [LB392]

SENATOR SULLIVAN: All right. Thank you. Anyone else in a neutral capacity? Senator Crawford, for closing. [LB392]

SENATOR CRAWFORD: Good afternoon, again, and I appreciate your patience and listening. And I appreciate the time and...that all the testifiers have taken to come talk about this very important educational issue in our state. So I would like in closing just to clarify a few of the questions that I heard and hopefully answer any other questions that I can. So first of all, I want to emphasize that Springfield Platteview is an excellent school district. And it is...it offers a choice to our families in the metropolitan area, a choice of a smaller school district. And it's a

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school district with a...that provides that opportunity. And I have many friends who live in the Bellevue district and they would like their children to be in a smaller district and choose to send their child to Springfield Platteview. They've had some recent technology advances, so it's a great school district. So the issue is not the district. The issue is the school building location that is critical. So I hear you have a map, and I don't know if the map that you have has the school buildings on your map or not or if it's just a district map. But basically, I'll just speak to the Bellevue side, because that's the part I'm familiar with. We have...at Bellevue Public School...Elementary School right near the edge of this housing development. And so if the boundaries were moved, more housing could be there and kids could be going to a very nearby school. I think that's what they were trying to emphasize, that it's the neighborhood school. So in the Springfield Platteview district the school is down on Platteview Road, so it is five to ten mile drive, and I appreciate that in your districts a five to ten mile drive is like, so what? (Laugh) But in a metropolitan area, when people are choosing where to live, they like a neighborhood school. So again, it's the school building location that has been critical as one of the key issues in causing this stoppage of housing development, because people want to live in a neighborhood where there's a neighborhood school. If they're in Springfield Platteview district, they have a wonderful school, but it's a school that's out in the middle of Sarpy County. It's not a neighborhood school in that same sense, if someone is wanting to live in an urban neighborhood and have an urban neighborhood school. That's not what Springfield Platteview School is. But again, it's a wonderful school. (Laugh) So I wanted to stress that. And Springfield Platteview has recently just had a bond issue that did not pass, and so that has been a challenge in terms of them having other buildings or moving in that direction...has been a challenge. So I also want to clarify that while it is true in Sarpy County that the sewer ridge line is a key development issue, that is another different issue. And the boundary changes to allow this housing development are critical and there is a need for housing development on this side of the ridge line as well. So this is not something that's...this development that's needed in Bellevue and Papillion is critical even aside from the whole sewer discussion. I don't want this to be dismissed as only a part about sewers. This is key development on this side of that ridge line. I also want to acknowledge that--as I did in my opening--that LB392 doesn't include the poverty provision. And that's because, just as someone who is not a member of the committee, familiar with the funding formulas and those pieces, what I felt I could do for our Learning Community discussion is put some of those 11 pieces on the table for our discussion and for a hearing that--as I've expressed to the Chair and to many of you and to others in the school districts--I am committed to addressing the poverty issue as well. I am, you know, committed to supporting other provisions that are part of that superintendents' report as well. I just am putting these pieces on the table that I hope will be part of a package or a set of bills that allows us to address as many of those 11 recommendations as we feel that is appropriate to do so. And that's what I'm laying on the table for, I hope, your consideration. And I'm happy to work with you and happy to work with people who may want to suggest changes or...and possible changes in the language...happy to have those discussions. This is what I want to make...I want to make sure we have a good, productive discussion about

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making these critical changes in the Learning Community this year. And I hope to be a part of that. Thank you. [LB392]

SENATOR SULLIVAN: Thank you, Senator Crawford. Any questions for her? All right. Thank you very much. [LB392]

SENATOR CRAWFORD: Thank you. [LB392]

SENATOR SULLIVAN: This closes the hearing on LB392. And I will turn it over to Senator Kolowski. [LB392]

SENATOR KOLOWSKI: Thank you, Senator Sullivan. We'll now move on to LB528. Senator Sullivan will be presenting, and welcome. [LB528]

SENATOR SULLIVAN: (Exhibit 1) Thank you, Senator Kolowski and members of the committee. My name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, representing District 41. As some of you know, I've spent probably at least the last year visiting with the 11 member superintendents in the Learning Community. And not having been here in the body when it was created, I listened intently to what they told me and I took to heart the recommendation package that they presented to me. So what I'm presenting to you in LB528 are my attempt to carry forward in proposed legislation some of their recommendations. The report covered several areas relative to the Learning Community related to finance, to boundaries, open enrollment, focus schools, early childhood education, elementary learning centers, and governance. As I said, LB528 holds up several of those areas and focuses on some of the superintendent recommendations. Under the category of finance, the measure would return core services funding in ESUs, replacing the funding used for evaluation and research with lottery dollars. That would mean approximately \$600,000 that would be devoted from lottery dollars through the State Board of Education to replace some of that core service funding to the ESUs but would still allow the Learning Community those extra dollars for research and evaluation. Secondly, TEEOSA aid for the member districts would be calculated separately in order to avoid any losses resulting from combining the resources of districts that would otherwise be nonequalized with the resources of equalized districts. You've heard several times today that the feeling is that there has been a loss of about \$3.8 million per year because of membership in the Learning Community. This bill essentially recovers that for the member school districts. I will note to you also, though, that at the end of my testimony I'll be referencing and giving you an amendment that clarifies that distribution, because there was some concern expressed by the member districts that they were a little concerned of how that was coming out. So I'll explain that in a little bit. Also relative to focus schools, for those that would be approved by the Learning Community Coordinating Council, I propose that there would be startup grants of up to \$500,000 from

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lottery funds that could be awarded by the State Board of Education. The focus school and applications would both need to be approved by the Learning Community Coordinating Council, and then there would have to be a one-to-one match requirement. We've also heard about open...option enrollment. I am proposing in LB528 for option enrollment...the transportation requirements would be changed to mirror those of option enrollment. The change would result in a reduction in the number of students qualifying for transportation and would allow an allowance to be paid in lieu of providing actual transportation. I should note, though, that for students transferring before July 1, 2016, they would be grandfathered and allowed to qualify under the current provisions. Boundaries has been talked about. Well, in my proposal under LB528, the boundaries of Learning Community districts would not be changed, but the process for changing them would be simplified. The Learning Community Coordinating Council would be taken out of the reorganization process and plans could be taken to the State Reorganization Committee with the approval of all the affected boards. Transfers up to 640 acres could be accomplished with the agreement of both school districts in the same manner that occurs outside the Learning Community. Also regarding the poverty and LEP plans that we heard about, actually, yesterday and poverty programming, in LB528, I'm proposing that the approval process for those plans would also be simplified by taking the Learning Community Coordinating Council out of the process. And finally, the last thing that the bill would do is to repeal the requirement for a superintendent advisory committee. I feel fairly comfortable with implementing this recommendation since it was the superintendents themselves that brought the idea forward. And as I indicated, I do have an amendment that I'd like to pass out now. And as I indicated...well, first of all, it does one technical thing. In the original bill--it was just an oversight on our part--that the startup grants for focus schools would not be \$500, they would be \$500,000. And then the amendment also pools the aid. This is in reference to the \$3.8 million that I mentioned earlier. The amendment pools the aid for Learning Community districts after equalization aid is calculated but before it is distributed. And this change distributes the benefit more evenly to all the districts. That is the essence of LB528. [LB528]

SENATOR KOLOWSKI: Thank you, Senator Sullivan. Any questions for Senator Sullivan, please, Senators? [LB528]

SENATOR SCHNOOR: I got one. [LB528]

SENATOR KOLOWSKI: Yes, sir. [LB528]

SENATOR SCHNOOR: Senator Sullivan, in your proposal, as well as Senator Crawford's previously, they talk about transferring land not to exceed 640 acres, which is basically one section. Now, are we talking private property where a farmer has a section of ground and the school board and--let's see, how am I reading this?--the school board can just come in and decide

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to transfer this ground? Is...am I understanding that right or am I misunderstanding that?
[LB528]

SENATOR SULLIVAN: Well, it wouldn't be as automatic as that. First of all, it would have to involve a whole series of processes that would involve a public hearing on the part of the patrons of the district. So then first the agreement has to come within the district, and then there has to be an agreement between the two districts. It's just that we put that limitation that we can't...it can't involve any more than 640 acres. And my bill really doesn't have anything to do with that other than it removes the Learning Community Coordinating Council in having to approve any plan that might come out of negotiations regarding boundaries between two school districts. [LB528]

SENATOR SCHNOOR: Is there a reason why? I mean, I know in the...outside of the Learning Community, land can be transferred between districts. It normally does not happen, because no school district is ever going to want to give up valuation. So would there be a reason why a school district would want to give up land for...that would decrease their valuation? [LB528]

SENATOR SULLIVAN: Well, they're probably going to want something in response, I'm guessing. But I don't know what that might be. [LB528]

SENATOR SCHNOOR: Okay. [LB528]

SENATOR KOLOWSKI: Yes, Senator Groene, please. [LB528]

SENATOR GROENE: Thank you, Senator Kolowski. Senator Sullivan everybody has got that same \$3.8 million because we're all getting rid of the common levy, right? [LB528]

SENATOR SULLIVAN: No. I'm not proposing to get rid of the common levy. I am talking about how the...proposing a change in how the common levy is distributed so that the member districts...you have heard that they feel that they have...every year they have been a member of the Learning Community the total amount that they say the state has reaped the benefit of and they have lost as a whole group of districts in the Learning Community...they've lost about \$3.8 million. I'm basically restoring that to the pool of funds in the Learning Community. [LB528]

SENATOR GROENE: But Springville (sic) Platteview still at \$95 (million)...they're not equalized. They wouldn't get any of this, would they? [LB528]

SENATOR SULLIVAN: Not nearly as much. [LB528]

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SENATOR GROENE: They don't get any now as equalized. I'm just... [LB528]

SENATOR SULLIVAN: They will reap some benefit. You will hear later on in the next bill that I'll talk about, they will reap even a little bit more. [LB528]

SENATOR GROENE: And this \$600,000...we already have lottery funds, right, and that's coming to an end, what the purpose is now, we do with them? [LB528]

SENATOR SULLIVAN: Yes. And we'll be refiguring. [LB528]

SENATOR GROENE: So I don't understand why they say you got a \$600,000 cash fund when lottery funds are already being used for education, aren't they? You're just using it for a different purpose. [LB528]

SENATOR SULLIVAN: Well, they will, but all current uses of it go away. [LB528]

SENATOR GROENE: Yeah. [LB528]

SENATOR SULLIVAN: And so we will be deciding through legislation how we want... [LB528]

SENATOR GROENE: But on the fiscal note they act like the cash funds...you're hit with \$600,000, well that's...those funds were used for education anyway, weren't they, the lottery funds? So really, I'm just saying... [LB528]

SENATOR SULLIVAN: It's a little confusing in that the core service dollars that the ESU would have received were being used by the Learning Community for research and evaluation. Under this legislation, I'm returning those dollars to the ESU, the core service dollars. To replace and make sure that the Learning Community continues to be able to evaluate and research the programs, I am saying that the State Board of Education can agree to allot \$600,000 to the Learning Community from lottery funds instead of the appropriation for the Learning Community. [LB528]

SENATOR GROENE: I'll ask Tammy later. (Laugh) [LB528]

SENATOR KOLOWSKI: Senator Baker, please. No? Senator, you're...thank you for bringing this creative bill together. You're recognizing, of course, the comments from the collective superintendents, which is on target for a number of things they were talking about. I think that

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gets us down the road. Other thoughts you had on the superintendents' report and where they are with their work at that time with what you're presenting? [LB528]

SENATOR SULLIVAN: Well, about the only other thing, and it was the larger recommendation that they wanted, was removal of the common levy but also more funds for poverty. And if you recall, yesterday, I believe, I introduced LB530 that allows the Department of Education to take a closer look at poverty programming. So I'm hoping that that leads us closer down the road to how we can more effectively program for poverty... [LB528]

SENATOR KOLOWSKI: Thank you. [LB528]

SENATOR SULLIVAN: ...that ultimately might tie into the recommendations that the superintendents have made. [LB528]

SENATOR KOLOWSKI: Thank you. Other questions for Senator Sullivan? Okay. Thank you. Proponents, please, would you please come forward now and state your case? Steve, welcome. [LB528]

STEVE BAKER: (Exhibit 2) Senator Sullivan and other members of the Education Committee, my name is Steve Baker, S-t-e-v-e B-a-k-e-r. I'm the superintendent of the Elkhorn Public School District. And it's also my honor today to be representing all 11 superintendents of the Learning Community. Collectively, we offer our support for LB528. My task is to provide a historical perspective for the superintendents' recommendation...recommended changes in the Learning Community. Because of the changes on this committee, some of you may not be familiar with our work over the past two years. The Learning Community superintendents have been instructed by policymakers that we seldom reach agreement. But if we ever did there was a chance of accomplishing change. We believe continued review and refinement of the Learning Community was what Senator Raikes always had in mind. Last session, the 11 of us did reach agreement on legislation that would correct a flaw in the funding formula. Even though we were in 100 percent agreement, that legislation never made it out of the committee. With no progress last session, some of us reached out to Senator Sullivan for her assistance and in the spring the superintendents met with the Education Committee. From that meeting we had our marching orders and spent countless hours developing a comprehensive study of the Learning Community. As we had agreed to in the spring, our report would have recommendations that would be voted on by our local school boards. Our 11 districts represent about one...or actually, over one-third of Nebraska's students. And contrary to what many think, we do work very well together. As we worked through this process, never was there a discussion about doing away with the Learning Community. Our approach was simple. If we are going to have the Learning Community, let's make it the best it can be. The foundation of our study was based upon looking at what makes us

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different from every other Nebraska public school district. We closely examined ten aspects of the Learning Community that separated us from the other 234 Nebraska school districts. I'm not going to go into detail and talk about all ten recommendations. After my testimony, some of my colleagues will address a few of them. I have attached a summary of our recommendations. Senators, we have accomplished some great things. The superintendents' attendance plan, the superintendents' early education plan have the potential of being game changers for all Nebraska students. Great things can happen when people work together for a common cause. But if the Legislature is serious about maintaining this LC and improving a model that might encourage other districts in Nebraska to form one, then I encourage you to listen and act upon all of our recommendations, not just some. LB528 is a good start for which we are appreciative, but it does not include all of our recommendations, and that was supported by the overwhelming majority of 69 elected school board members from 11 school districts. When we met in December, Senator Kolowski shared a comment that I would like to do my best repeating. Senator Kolowski recognized that we, the superintendents, are the experts, and if this were a medical topic, senators would listen to the experts, the doctors. This is an education bill, and the experts have approached the task with one mission: improving education for all children, not just the one-third of the state's public school students in the Learning Community, but all 300,000-plus of them. Thank you, Senator Sullivan, for working with us. We know this is a first step, but we believe a few more steps at this time would be even better. [LB528]

SENATOR KOLOWSKI: Thank you. Appreciated this, Mr. Baker. Questions for Mr. Baker, please? Seeing none, thank you. [LB528]

STEVE BAKER: Thank you. [LB528]

SENATOR KOLOWSKI: Appreciate it very much. Welcome, Dr. Sutfin. [LB528]

JIM SUTFIN: (Exhibit 3) Thank you. Good afternoon, Senator Sullivan and members of the Education Committee. My name is Jim Sutfin, J-i-m S-u-t-f-i-n. I am the superintendent of the Millard Public Schools and I'm also a member of the Learning Community superintendents. Today I'll be testifying as both a member of the Learning Community superintendents as well as the Millard Public Schools superintendent. But having sat here this afternoon with you, although I've taken several breaks as you have not--sorry--listening to the testimony, it appears there's a couple of things that are fairly apparent. Number one, there appears to be a lot of consternation around the Learning Community. And hopefully that will be an impetus for change. And number two, it all seems to be about resources. No matter who has been testifying, it's been about the resources. I want to take a moment and thank all of you for enduring the hearings today. And I also want to take a look back. And it appears to me that the Legislature has deemed that they would like to have a Learning Community in Douglas and Sarpy County. Therefore, as I offer

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my testimony, we appreciate the work that has gone into LB528 and the changes that could potentially be made to the Learning Community. As superintendents, we initially provided a set of recommendations to the Education Committee that improved the Learning Community for all 11 school districts. A big piece of that successful collaboration was the early childhood programming. This is something we can all be proud of. It's something that we think is going to be a potential model to go across the state of Nebraska. The elementary learning centers and the focus schools have also aided us in carrying out the mission of our school districts. The recommendations in our report focused on the good of all of our districts. LB528 gets us closer, but we respectfully request the Education Committee to advance the set of bills or amend LB528 to more thoroughly incorporate the superintendents' recommendations. And here is why: The Learning Community superintendents have found a way to thrive together in developing our recommendations while also respecting the unique features of each of our school districts. The request to expand LB528 to incorporate all aspects of our recommendations allows us to put behind unintended consequences and move forward. My board and I recognize that the removal of the common levy actually causes the Millard Public Schools to lose money. However, if the common levy remains, catastrophic damage will continue to Springfield Platteview and Douglas County. These are my colleagues. And they're a member of our Learning Community. If only the common levy, however, is addressed, school districts such as mine will lose because we still don't see the return of core service dollars or transportation costs to the districts. And you may ask, how is transportation an issue? Remember, there is two parts to the reimbursement of transportation. It is either done by actual expense or it is done by mileage. The cost of transporting students in the Learning Community is such that the mileage is now the cheaper reimbursement and, therefore, we are spending more and more of our general education dollars to fund that transportation. I want you to know that the Learning Community schools are in this together, as evidenced by my colleagues and their attendance in actively participating in these hearings today. Case in point: with the work we have done with the early childhood program. As my time nears, I just want to urge the committee to expand the scope of the bill so that we can guarantee a second iteration of the Learning Community that appropriately serves the needs of the 11 member schools. During the fall, I've had many conversations with other school districts about legislation. One set of school districts stood out, and that is the STANCE group. The collaboration that occurs between the STANCE committee...or the STANCE superintendents is impressive. So is the collaboration between the Learning Community superintendents. But there is a difference. The conversations with the STANCE schools are about student achievement and student learning, and our collaboration time year after year is spent talking about, how do we modify, change, or eliminate the Learning Community? Respectfully submitted. I'd be more than willing to answer any questions you may have. Thank you for your time today. [LB528]

SENATOR KOLOWSKI: Thank you, Dr. Sutfin. Any questions for Dr. Sutfin? Seeing none, thank you very much. Mark, good afternoon. Welcome. [LB528]

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MARK ADLER: (Exhibit 4) Good afternoon, Senator Kolowski, Senator Sullivan, members of the Education Committee. My name is Mark Adler, M-a-r-k A-d-l-e-r. And I'm honored to serve as superintendent of the Ralston Public Schools. I appreciate the opportunity to appear before you today to speak on behalf of the students of the Ralston Public Schools and our locally elected Board of Education. I'm here today to speak in support of LB528. I'm going to abbreviate my comments. I submitted my full comments to you in writing. LB528 continues the discussion encouraging a more effective and efficient Learning Community focused on student learning and support. As a result, I want to thank Senator Sullivan for her leadership in bringing LB528 forward to start this important conversation. I think we've heard quite a bit today of the successes of early childhood programming. The superintendents' attendance plan and school choice through open enrollment demonstrate the possibilities a Learning Community can facilitate. I am confident the initiatives outlined above and several others are just the beginning of what can and should be done to address student achievement and progress for all students. The Ralston Public Schools' perspective, the fact...from the Ralston Public School's perspective, the fact that LB528 calls for the elimination of open enrollment transportation over time is a significant change in the Learning Community that we do not support. We caution the committee that this, we believe, will have a negative impact on the ability for students in poverty to have school choice across the two-county area. The Ralston...in Ralston, close to 24 percent of our students choose Ralston through open enrollment. For these students, our services, programs, and environment are a better fit for their educational needs. We believe elimination of open enrollment transportation would discourage and, in most cases, eliminate school choice for students living in poverty. Ralston Public Schools also encourage more attention on the poverty and ELL students in districts across the state. We are making progress with our students in poverty by focusing on best practices as outlined in our district poverty plans. As you previously did with early childhood education, we encourage the Legislature to again focus the efforts and resources within the Learning Community to address the needs of students in poverty and ELL. We come to you now asking for your help. And we see possibilities for students within the Learning Community, but it will take action by the Legislature to refine, redirect, and reprioritize the focus of the resources, that students the Learning Community was created for will actually receive that help. I believe our goal as educators, policymakers, and as Nebraskans should be to work collaboratively to improve the learning opportunities for students in the Learning Community and all across Nebraska. With that, I would do my best to answer any questions that you may have. [LB528]

SENATOR KOLOWSKI: Thank you, Dr. Adler. Questions for the doctor? Seeing none, thank you very much. [LB528]

MARK ADLER: Thank you. [LB528]

SENATOR KOLOWSKI: Good afternoon. [LB528]

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DAN SCHNOES: (Exhibit 5) Good afternoon. My name is Dan Schnoes, D-a-n S-c-h-n-o-e-s, administrator of ESU 3 in La Vista, which serves the Omaha metro area. I would like to thank all of you for your service on the Education Committee and want you to know that I respect the hard work and the tough decisions ahead of you. And also, way to hang in there today. It's been a long set of hearings. I was given the opportunity to work alongside the 11 superintendents that are part of the Learning Community as they collaborated and drafted a plan that would improve the Learning Community. I would like to thank them for allowing ESU 3 to have a voice in the discussions. Today I speak on behalf of ESU 3 and the future use of core service funding. Core service funds are used by ESUs for the purpose described in 79-1204 for professional development, for technology, and for instructional materials. We can efficiently and effectively offer these services to our school districts through core service funding at the investment rate of \$41 per student per year. Now, if you're doing mental math, that's 23 cents per kid per day. LB528 would return the remaining Learning Community core service funding back to ESU 3 and its school districts, allowing us to increase the services we provide. As you are aware, 10 of the 11 school districts of the Learning Community are members of ESU 3. However, we have an additional eight school districts that are not part of the Learning Community but lose a portion of their core service funding every year. I would like to refer you to the information on page 2. This chart shows the total amount of core service funds that were pulled from ESU 3 school districts over the past six years. This six-year total amounts to over \$2.6 million. The bottom section of the chart shows the amount that each individual school district has lost in core services to their teachers and their students. Please note that the eight school districts that are marked on the right side of the form that are not part of the Learning Community have lost a combined total of over \$250,000 in services, which simply is not fair to them. In summary, ESU 3 supports LB528 and the return of core service funds back to ESU 3 where we can continue to provide effective and efficient support to the continuous improvement of the school districts that we serve. Thank you for your consideration, respectfully. [LB528]

SENATOR KOLOWSKI: Thank you, Dr. Schnoes. Questions, please. Seeing none, thank you. [LB528]

DAN SCHNOES: Thank you. [LB528]

SENATOR KOLOWSKI: Thank you very much. Any additional proponents, please? Good afternoon, again. [LB528]

LOU ANN GODING : (Exhibit 6) Good afternoon. My name is Lou Ann Goding, L-o-u A-n-n G-o-d-i-n-g. I am president of the Omaha Public Schools Board of Education. I appear today in support of LB528. For the same reasons stated in this testimony, Omaha Public Schools also supports LB529. The Board of Education of the Omaha Public Schools is committed to the

Learning Community. The Learning Community has proven to be a great resource in such areas as early childhood education, the creation of elementary learning centers, and support for the expansion of focus schools, among others. We appreciate Senator Sullivan offering many of the changes recommended by the superintendents. The OPS Board voted to support the superintendents' recommendations as a package. OPS serves a unique population. Poverty is extensive within the district with 73.2 percent of students participating in free and reduced lunch. Poverty presents obstacles which the Legislature has recognized and for which the Legislature has provided additional funding, and Omaha Public Schools appreciates this. OPS has a significant English Language Learners program. Currently, 7,534 students, or 15.2 percent of our enrollment, participate in the program. ESL services have been provided to 17,030 or 34.5 percent of the K-12 student population. To put this in perspective, if ELL students in Omaha Public Schools were a separate school district, it would be the seventh largest district in the state. Our number of English language learners is larger than the student population in 7 of the 11 Learning Community districts. Within OPS, students and their parents speak more than 109 languages other than English. This poses communications difficulty not just with the students but also with the parents of the student. Again, the Legislature has recognized and has provided additional funding to address the difficulties that large numbers of English language learners imposes. OPS thanks the Legislature for recognizing this need. As you would guess, Omaha Public Schools generates significant poverty and ELL allowances due to the composition of our district. However, under current law, equalization aid is calculated for the Learning Community as a whole, rather than on a district-by-district basis. This serves to dilute those allowances, because other districts in the Learning Community may have significantly smaller poverty and ELL allowances. LB528 addresses this by leaving the allowances with those districts that generated them. We believe the bill furthers the intent of the Legislature in placing additional resources with the poverty and ELL populations they were intended to serve. Thank you for the opportunity to speak here today, and I will try to answer any questions that you might have. [LB528]

SENATOR KOLOWSKI: Thank you, President Goding. Any questions? Yes, sir. [LB528]

SENATOR GROENE: Yes. Have you done any calculations? Of that \$3.8 million, how much would you get...Omaha? [LB528]

LOU ANN GODING: I think with the amendment we would generate around \$1.4 million of that number. [LB528]

SENATOR GROENE: And your opposition to the other bill is probably because you would lose money. [LB528]

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LOU ANN GODING: Correct. And the common levy is important to OPS from a stability standpoint. [LB528]

SENATOR GROENE: Just wanted clarification. [LB528]

LOU ANN GODING: Right. [LB528]

SENATOR KOLOWSKI: Any other questions, please? Thank you. [LB528]

LOU ANN GODING: Thank you. [LB528]

SENATOR KOLOWSKI: Thank you very much. Additional proponents, please? Anyone else? Seeing none, opponents, please, would you come forward? Again, seeing none, and anyone in the neutral category? Mr. Stilwill, welcome again. [LB528]

TED STILWILL: Thank you, Senator. Thank you, members of the committee. Ted Stilwill, T-e-d S-t-i-l-w-i-l-l. The Learning Community Coordinating Council reports a position of neutral. This has a differential effect on various districts, whether...and it has been pointed out there are some slight differences in the superintendents' actual report and their set of recommendations, although the one thing I really would like to do is express my appreciation to Senator Sullivan and the members of the committee for inviting the superintendents to provide for a review of the Learning Community and specifically for the superintendents who spent, frankly, many hours working on those recommendations and kind enough for the last five meetings or so to invite me to be part of their deliberations. That's a measure they wouldn't have needed to do, but one which I appreciate and so do the members of the council. I'd be happy to answer any questions you might have with regard to any features of this proposed legislation. [LB528]

SENATOR KOLOWSKI: Thank you, Mr. Stilwill. Any questions, please? Thank you, Ted. [LB528]

TED STILWILL: Thanks. [LB528]

SENATOR KOLOWSKI: Appreciate it. With that, Senator Sullivan, closing. Oh, hold on, please, one second. [LB528]

SENATOR SULLIVAN: Thank you, Senator Kolowski. And as I indicated at my introduction, this is...LB528 is a response in part to the conversations that I had with the superintendents and

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the recommendations that they've put forth. And I remain committed to working with them going forward as well. My approach to the Learning Community is not so much to look at what was or is, but what can be. And my overarching concern is to make sure that we can provide public policy that makes sure that all children have a quality education irrespective of their zip code. So I think this, in many ways, starts a good conversation to improving the Learning Community. Thank you. [LB528]

SENATOR KOLOWSKI: (Exhibit 7) Thank you, Senator Sullivan. We also do have one neutral letter that was sent in from Dr. David Black, mayor of the city of Papillion, and that is in the record as well. Thank you. Senators, this...that ends LB528. And we'll now move on to LB529. [LB528]

SENATOR SULLIVAN: Thank you, Senator Kolowski and members of the committee. I'm Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, here to introduce LB529. I'm bringing you LB529 today in an effort to help the Learning Community districts that have experienced the greatest change in their financial circumstances by virtue of their membership in the Learning Community. The TEEOSA changes in this bill were directed at providing additional aid to all of the school districts in the Learning Community, and those same changes are included in this bill. So LB529 sort of goes along with LB528, having the same components, as does the amendment that I introduced. And I will say, an amendment could be introduced to LB529 as well so that they pretty much become partners in this effort. However, LB528 does very little to address the situation faced by the districts that come into this partnership with a lot of valuation but very few students. When General Fund common levy proceeds are distributed, the calculation is based on the proportionate share of formula need left after aid and other formula resources are subtracted out. For districts that have traditionally had healthy valuations relative to their calculated need, this can result in a significant shift in resources. The modifications in LB529 would assure that every district receives at least a minimum amount from the common levy distribution based on the amount raised from the district's valuation and 55 cents of the 95 cent common levy. Although there are two particular districts that would benefit at the current time, Douglas County West and Springfield Platteview, the effects of this change could maintain some balance for different districts in the future in the current Learning Community and, I might add, could remove some barriers for other learning communities to be established elsewhere in the state. So that's the essence of LB529. I can try to answer any questions, but that is the bill. Thank you. [LB529]

SENATOR KOLOWSKI: Thank you. Questions for Senator Sullivan, please? Seeing none, we'll move on to proponents, please. Dr. Haack, welcome. [LB529]

TERRY HAACK: Thank you. [LB529]

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SENATOR KOLOWSKI: Good to have you here. [LB529]

TERRY HAACK: (Exhibit 1) Thank you. Senator Kolowski, Senator Sullivan, members of the committee, my name is Terry Haack, T-e-r-r-y H-a-a-c-k, superintendent of Bennington Public Schools. As you know, Bennington is a part of the Learning Community. We are here today to offer testimony in support of LB529. As you are aware, the 11 districts in the Learning Community are subject to a common levy and a pooling of revenue as just discussed. Historically, a majority of the districts in the Learning Community receive less due to this revenue collaboration as they would if calculated as individual districts. As outlined in the superintendents' report, the advantage of this pooling calculation fell to the state in the tune of \$13.5 million. As we understand the language in LB529, state aid for the 11 school districts in the Learning Community will be calculated on an individual basis. Collectively, the LC superintendents believe this is an appropriate means for calculating aid. However, we're requesting a slight change in the language that would allow all 11 districts to benefit from this modification. And I believe that was addressed in the amendment of LB528. We understand this legislation was written on behalf of the Learning Community with your interpretation of the superintendents' report. Modeling of this recommendation shows some districts would actually receive less revenue from this increased aid change than the current calculations. This has to do with the proration of the common levy that does not cover all needs. The superintendents would like to see an amendment--and again, it's addressed in LB528--to this bill allowing an increase in aid to be redistributed on a basis of need. This would allow all 11 districts to receive an increase. And if you turn over the written report, you can see what...current LB529 and then what the modification...as we believe the modification would be. And as you can see, there are some that lose even with the gain in \$3.2 million. But with the modification as, I believe, addressed...and we appreciate Senator Sullivan's and legal counsel, Tammy Barry, looking at this for us. A little bit about Bennington: You may see reports that Bennington gains in state aid every year. The untold story is student growth, as our district exceeds any increase in revenue for the past several years. Over the last five, Bennington has seen a 62 percent increase in student enrollment with a 54 percent increase in revenue. This has the same effect as cutting a district's budget without the shocking headlines due to minimal growth. While the cost per student has risen for many districts in the state, Bennington has held steady or decreased. Similar stories can be given by many in the Learning Community. In fact, Bennington ranks at or near the bottom in cost per student, and five of the ten lowest spenders in the state are in the Learning Community. The last I saw, nobody was given foam fingers for number one for being the bottom spender in the state of Nebraska. You've heard testimony from a lot of colleagues in the Learning Community. We would like implementation of the superintendents' report into the legislation. Thank you very much and I'll answer any questions you have at this time. [LB529]

SENATOR KOLOWSKI: Thank you, Dr. Haack. Any questions, please? Senator? [LB529]

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SENATOR PANSING BROOKS: I liked the foam finger. I thought that was a good one. [LB529]

SENATOR KOLOWSKI: The foam finger was good. [LB529]

SENATOR PANSING BROOKS: Yeah. [LB529]

SENATOR KOLOWSKI: Thank you. [LB529]

TERRY HAACK: You liked the foam finger? [LB529]

SENATOR KOLOWSKI: The foam finger was good. [LB529]

SENATOR PANSING BROOKS: I liked the foam finger. [LB529]

TERRY HAACK: Thank you. [LB529]

SENATOR KOLOWSKI: Dr. Riley, welcome. [LB529]

KEVIN RILEY: (Exhibit 2) Dr. Kolowski, Dr....Senator Sullivan, my name is Kevin Riley, K-e-v-i-n R-i-l-e-y. I'm superintendent of the Gretna Public Schools testifying on behalf of the superintendents of Douglas and Sarpy Counties in support of LB529. It is our belief that LB529 is just the right thing to do. Please allow me to summarize the position of the superintendents. This is the tenth legislative session in which this committee and the legislative body has dealt with all things Learning Community, yes, the tenth. Over the years, we have watched many bills and amendments surface to eliminate, change, or fix the Learning Community law. Most such bills originate from a narrow perspective that would benefit one or more school districts but not all of the districts. You've observed this today. We do this same clumsy marathon dance every year. During this ten-year period, 11 school districts have lived this law. No one else has. Others have been outside looking in, telling us what's good for us. From the inside we have experienced the good and the not so good. There have been literally thousands of hours of review and discussions between school board members, community members, superintendents, business officials, and others on this matter. The 11 superintendents, with support of their school boards, have found a collaborative solution and have offered it to you in the form of the Learning Community report. I hope you realize how difficult it was to accomplish this. I applaud Steve Baker for his leadership. As you progress through this session in another attempt to resolve the Learning Community issues, please, please, please use this report as your guiding force. The recommendations in our report not only put an end to this debate, they benefit our entire state. The recommendations in our report are for the common good. Superintendents are deeply

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appreciative of Senator Sullivan's support in our quest to find this collaborative solution. We thank her for her...for listening to us and challenging us along the way. Tammy Barry also earns a heartfelt thank you from all of us. Thank you. [LB529]

SENATOR KOLOWSKI: Thank you. Any questions, please, for Dr. Riley? Anyone? Thank you very much, appreciate it. Any other proponents, please? Welcome. [LB529]

JOHN LINDSAY: Thank you, Senator Kolowski. Members of the committee, my name is John Lindsay, L-i-n-d-s-a-y, appearing as a registered lobbyist on behalf of Omaha Public Schools in support of LB529. I would incorporate Mrs. Goding's testimony from LB528 as our primary reasons for supporting the bill, but I also wanted to give a little bit of perspective of...from some of those who...some that were around at the time of the formation of the Learning Community. I would note that the two prior...or two of the prior testifiers on this bill are the two superintendents who were around at that time. Other than that, there's been a complete turnover in the superintendents, probably a lot of turnover among boards. The board at OPS has turned over completely during that time. So there's been a lot of change. This committee, the Education Committee, has changed. But I would like to remind us of how far we've come. If we look back to that time, there were boundary...very bitter boundary disputes going on within the city of Omaha, within two or three places in Sarpy County. Emotions were running high. I can remember lobbyists and superintendents from the various school districts standing on opposite sides of the rotunda, because we just couldn't talk to each other. And through a lot of work from Senator Raikes and his staff, Tammy Barry, the...a decision was arrived at to come up with this thing that took a lot of--and I think, as Senator Kolowski mentioned from his time on the Learning Community Council--took a lot of time to move it along. And it's starting to hit stride. Superintendents, I believe, are working closer together than they have at least in, I think, distant memory. And they've come together with recommendations that I think Senator Sullivan has had a very responsible approach to trying to implement those recommendations. But one of the things that was being addressed in the Learning Community...and I don't think you can really pick apart the...what the Learning Community is as a...or where it...how it came together, because at that time there were those boundary disputes. There was a great disparity in property valuation per student throughout the Learning Community, even though we all shop at the same restaurants and we eat at the...I mean, eat at the same restaurants and shop at the same stores and we're in the same community. But there were wide variances. And that's, I think, what...the Learning Community was trying to bridge a lot of those gaps. And I think it's had a lot of success, and I think the committee here has an opportunity to continue to craft it for continued achievement by students. I'd be happy to answer any questions. [LB529]

SENATOR KOLOWSKI: Thank you, Mr. Lindsay. Any questions, please? Mr. Groene. [LB529]

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SENATOR GROENE: I'm simple, but I've done the research. The last ten years we...property tax collected for schools in the state is 70 percent higher. TEEOSA is 42 percent higher. Enrollment is 6.5 percent higher. Everybody who testified is telling me they've got less money. Where did all the money go? [LB529]

JOHN LINDSAY: I guess I don't know exactly where...who got what. [LB529]

SENATOR GROENE: I'm just confused now. [LB529]

JOHN LINDSAY: But I think most districts, or an awful lot of districts have probably, between TEEOSA or property tax, have probably received more dollars. The question is, has it kept with expenses? Expenses can be anything from increased salaries, increased heating, fueling, transportation. The...I think those who have been superintendents can tell you there's a lot of expenses out there that you just have no control over. [LB529]

SENATOR GROENE: So when you...when somebody says they...just explain it to me. When somebody says they lost money, they've actually gotten more money than the year before, they just haven't gotten as much as the old formula would have gave them. [LB529]

JOHN LINDSAY: I think that's on a district by district basis. Like, some probably...some may have actually lost money. Some may not have increased enough to meet expenses. I think that depends on the perspective of the particular school district. [LB529]

SENATOR GROENE: Thank you. [LB529]

SENATOR KOLOWSKI: Thank you. Any other questions for Mr. Lindsay, please? [LB529]

JOHN LINDSAY: Thank you. [LB529]

SENATOR KOLOWSKI: Um-hum. Thank you. Any other proponents, please? Seeing none, opponents, would you please come forward, please? Any opponents? Seeing none, neutrals, please? [LB529]

TED STILWILL: Ted Stilwill, again, T-e-d S-t-i-l-w-i-l-l. The Learning Community and the Coordinating Council are...have a neutral position on this bill. I'm standing in the way of your leaving just to say, once again, thank you, particularly, for this committee for their time, Senator Sullivan, Senator Kolowski, and each one of you. It's been 4 hours today, but I'm sure the

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Learning Community itself will probably cost you 40 hours in your deliberations this session in Executive Committee (sic) and on the floor. For those few of us that are part of the Learning Community staff, it's interesting to get that...this much attention. But on behalf of those children for whom we feel we need to advocate, it's attention that honestly I believe is well deserved. It's a problem. The achievement of kids in poverty is a problem that will simply not go away unless we take stronger steps than we have in the past. We can see our future if we look in the rearview mirror unless we do something different. And that's what the Learning Community is modestly trying to do. And it has evolved. It has changed. It's different now. You've heard that several times. The mission statement we adopted in the summer of 2013 focuses exclusively on developing better solutions for kids in poverty and establishing local proof of concept by using somewhat different prototypes of educational practices that are in use by districts in the metro area. We're beginning to make a difference. We're beginning to make a difference in the quality of the conversation about kids in poverty. There is a unity among the superintendents about meeting those needs, recognizing that the one thing that is really different about the Learning Community districts and the rest of the state...if you look at the average free and reduced price lunch count, it's almost exactly the same in the Learning Community that it is across the rest of the state. But if you look a little deeper, within the Learning Community are much stronger elements of wealth and much stronger elements of poverty. And you would think that might create a divisive conversation. In fact, that conversation has come together within the superintendents and I couldn't be more appreciative of that. And I can't be more appreciative of your efforts to help all of us think through these next...not only this session, but the next 5, 10, 15, 20 years of the future of Nebraska and Nebraska schoolchildren. Thank you very much. [LB529]

SENATOR KOLOWSKI: (Exhibit 3) Thank you, Mr. Stilwill. Any questions for Mr. Stilwill, please? Seeing none, we do have...any other neutral categories? Anyone? Seeing none, we have another letter from Dr. David Black, mayor of the city of Papillion, in a neutral category for LB529. Senator Sullivan, to close. [LB529]

SENATOR SULLIVAN: Thank you. And very briefly, LB529 expressly benefits just two member school districts in the Learning Community, but I sort of view it as a partner with LB528 which was...which you heard previously which is my attempt to carry forward as much as possible some of the superintendent recommendations. I think you've also heard in their testimony, their intentions are good. They, as well as I, want to do work to improve the Learning Community. And I hope that will be your effort as well. Thank you. [LB529]

SENATOR KOLOWSKI: (See also exhibit 4) Thank you very much. This closes the hearing on LB529. And I'll turn this back over to Senator Sullivan, please. I would mention to the committee, if you have not had a chance to look at the materials that were given by Mr. Stilwill,

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please take a look at that when you have time as we move from the committee. Thank you.
[LB529]

SENATOR SULLIVAN: This closes the public hearing of the Education Committee today.
Thank you all for participating. [LB529]